



MEMBERSHIP

February 7, 2008

Summary of Consolidated Business Results for the First Three Quarters of Fiscal Year Ending March 31, 2008

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 Shares listed on: First Section of Tokyo Stock Exchange, Fukuoka Stock Exchange
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I. Summary of Business Results for the First Three Quarters of Fiscal Year Ending March 31, 2008 (April 1, - December 31, 2007)

1 Consolidated Operating Results

(In millions of yen - rounded off, except per share data)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Amount	Year-on-year Change	Amount	Year-on-year Change	Amount	Year-on-year Change	Amount	Year-on-year Change
3Qs ended December 31, 2007	514,383	+7.1%	38,621	+22.7%	33,326	+12.8%	16,827	+10.9%
3Qs ended December 31, 2006	480,174	+10.8%	31,480	+2.8%	29,532	+14.0%	15,178	+18.8%
Reference: Previous fiscal year ended March 31, 2007	655,608		46,862		43,154		22,013	

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
3Qs ended December 31, 2007	16.72	16.04
3Qs ended December 31, 2006	15.08	14.48
Reference: Previous fiscal year ended March 31, 2007	21.88	21.04

2. Consolidated Financial Position

(In millions of yen - rounded off, except per share data)

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
3Qs ended December 31, 2007	733,212	210,584	25.5%	185.68
3Qs ended December 31, 2006	721,445	185,075	22.7%	162.38
Reference: Previous fiscal year ended March 31, 2007	714,871	195,196	24.1%	171.49

II. Forecast of Consolidated Earnings for Fiscal Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

(In millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Current fiscal year ending March 31, 2008	701,000 (+6.9%)	51,000 (+8.8%)	43,000 (-0.4%)	22,000 (-0.1%)	21.86

III. Other

1. Changes at major subsidiaries in third quarter of fiscal year
(from changes in consolidated status of specified subsidiaries): None
2. Use of simplified accounting methods: Yes
3. Change in accounting methods from the previous consolidated fiscal year: Yes

Note: For more information, refer to Section 3 “Other” of *Qualitative Information and Consolidated Financial Statements* on page 3.

About the Appropriate Use of the Earnings Forecast

The earnings forecast and other statements about the future contained in this and attached documents are based on certain assumptions judged to be reasonable by the Company at the time the documents were prepared. Actual results can vary significantly from forecasts, due to changes in a wide variety of conditions including the economic status of key markets, demand for products, raw material and fuel prices, interest rates and foreign exchange rates.

Qualitative Information and Consolidated Financial Statements

1. Qualitative Information for Consolidated Operating Results

The business environment in the first three quarters of the fiscal year ending March 31, 2008 was generally favorable. Negative factors included the effects of the US subprime lending crisis and further price increases in markets for raw materials and fuel such as for naphtha, fuel oil and coal. Other negative factors included lower demand for building materials due to the introduction of changes to Japan’s Building Standards Law. However, market conditions for the Chemicals & Plastics segment improved, supported by strong Asian economies including China.

Amid these conditions, the Company recorded a year-on-year increase in net sales, while operating income, ordinary income and net income were up year-on-year.

Net sales were ¥514.3 billion for the first three quarters, up 7.1% or ¥34.2 billion year-on-year. Contributing factors included higher revenue from the Chemicals & Plastic segment due to the adjustment of selling prices to reflect the rising cost of raw materials and fuel, and increases in the volume of business from abroad as a result of the weakening yen. Revenue from the Energy & Environment segment was also up due to increases in the sales volume for coal.

Operating income was ¥38.6 billion for the first three quarters, up 22.7% or ¥7.1 billion year-on-year, due to factors such as the adjustment of selling prices for core products in the Chemicals & Plastics segment, and increase in volumes in the Specialty Chemicals & Products and Energy & Environment segments. Ordinary income was ¥33.3 billion for the first three quarters, up 12.8% or ¥3.7 billion year-on-year. Ordinary income grew to a lesser extent than operating income, due to factors such as decreases in currency gains from overseas subsidiaries. Net income was ¥16.8 billion for the first three quarters, up 10.9% or ¥1.6 billion year-on-year.

The performance by business segment is summarized below.

A. Chemicals & Plastics

Net sales in the segment were ¥170.4 billion for the first three quarters, up 11.2% or ¥17.1 billion year-on-year. Contributing factors included increases in selling prices such as for caprolactam, nylon resins, industrial chemicals and ammonium sulfate (a byproduct of caprolactam), with demand up sharply for ammonium sulfate used for bioethanol crops. The volume of business from abroad was also up due to the impact of the weakening yen. Operating income in the segment was ¥11.8 billion for the first three quarters, up 44.0% or ¥3.6 billion year-on-year, mainly due to price factors such as higher prices for ammonium sulfate and widening spreads for caprolactam.

B. Specialty Chemicals & Products

Net sales in the segment were ¥69.0 billion for the first three quarters, up 6.3% or ¥4.1 billion year-on-year. Shipments of polyimide products were sluggish due to the impact of inventory adjustments in markets such as for thin panels since the fall of 2006. However, the Company experienced growth in shipments of other products such as pharmaceutical active ingredients and intermediates, electrolytes and separators for lithium-ion batteries (LIB), and gas separation membranes. Operating income in the segment was ¥9.5 billion for the first three quarters, up 16.8% or ¥1.3 billion year-on-year, mainly due to volume factors.

C. Cement & Construction Materials

Net sales in the segment were ¥155.1 billion for the first three quarters, down 0.5% or ¥0.7 billion year-on-year. The Company recorded lower revenues overall mostly due to decreases in shipments of ready-mix concrete caused by the introduction of changes to the Building Standards Law. This decrease, however, was almost completely offset by higher revenues due to strong shipments of quicklime products. Operating income in the segment was ¥8.3 billion for the first three quarters, down 2.0% or ¥0.1 billion year-on-year. The Company recorded lower income due to factors such as decreases in the sales volume of ready-mix concrete and higher fuel costs, which was mostly offset by higher income such as from increases in industrial waste processing for cement manufacturing processes.

D. Machinery & Metal Products

Net sales in the segment were ¥85.4 billion for the first three quarters, up 4.9% or ¥3.9 billion year-on-year. The Company recorded higher revenue from machinery products, due to factors such as strong shipments of conveyers and other industrial machinery, and from adjustment of selling prices to account for increases in steel scrap prices. Meanwhile, revenue from the aluminum wheel business was down due to factors such as lower sales volumes in North America. Operating income in the segment was ¥4.7 billion for the first three quarters, up 14.7% or ¥0.6 billion year-on-year. The Company recorded higher income due to increased revenue from machinery products and improved performance in the aluminum wheel business as a result of cost reductions in North America.

E. Energy & Environment

Net sales in the segment were ¥31.2 billion for the first three quarters, up 45.1% or ¥9.7 billion year-on-year, due to factors such as increases in prices for coal sales, and increases in the volume of coal sales and coal storage by contract, as coal customers accelerated their procurement amid rising coal prices and a tight balance of supply and demand. Operating income in the segment was ¥3.5 billion for the first three quarters, up 94.7% or ¥1.7 billion year-on-year, as a result of factors such as increases in the volume of coal handled by the Company.

F. Other

Net sales in other segments were ¥2.9 billion for the first three quarters, with operating income of ¥0.6 billion. Both net sales and operating income were approximately level year-on-year.

2. Qualitative Information on Consolidated Financial Position

Total assets were ¥733.2 billion at the end of December 2007, up ¥18.3 billion from the end of the previous fiscal year. Inventories were up ¥10.4 billion, while cash and cash equivalents were up ¥6.3 billion. As a result, current assets were up ¥21.8 billion, while fixed assets were down ¥3.5 billion due to factors such as a decrease in tangible fixed assets.

Total liabilities were ¥522.6 billion at the end of December 2007, up ¥2.9 billion from the end of the previous fiscal year. Contributing factors included a ¥6.0 billion increase in accounts payables.

Net assets were ¥210.5 billion at the end of December 2007, up ¥15.3 billion from the end of the previous fiscal year. Contributing factors included an increase of ¥12.2 billion in retained earnings and an increase in accumulated foreign currency transition adjustments of ¥4.4 billion.

3. Other

A. Changes at major subsidiaries in third quarter of fiscal year (from changes in consolidated status of specified subsidiaries)

Not applicable

B. Use of simplified accounting methods

Partially used for calculation of income tax and other taxes.

C. Change in accounting methods from the previous consolidated fiscal year

Changes in accounting method

In accordance with revisions to the Corporation Tax Law, the Company and its consolidated subsidiaries in Japan changed to the depreciation method stipulated by the revised Corporation Tax Law for tangible fixed assets acquired on or after April 1, 2007. The accounting change was responsible for a decrease of ¥1.39 million each for the operating income, ordinary income and income before income taxes and minority interest respectively.

Additional information

In accordance with revisions to the Corporation Tax Law, the Company and its consolidated subsidiaries in Japan applied the depreciation method stipulated by the previous Corporation Tax Law for assets acquired on or before March 31, 2007, using a straight line method amortized over five years based on calculating the difference between the memorandum price and 5% of the acquisition price, and recorded as part of depreciation costs. The depreciation method is applied starting from the year after the consolidated fiscal year in which the depreciation rises to 5% of the acquisition price. The accounting change was responsible for a decrease in operating income of ¥2.148 billion, and a decrease of ¥2.175 billion each for the ordinary income and income before income taxes and minority interest respectively.

IV. Summary of Consolidated Balance Sheet for the First Three Quarters of Fiscal Year Ending March 31, 2008

(In millions of yen - rounded off)

		End of Previous Fiscal Year (As of March 31, 2007)		3Q Ended December 31, 2007		Change	3Q Ended December 31, 2006	
(Assets)		Amount	%	Amount	%	Amount	Amount	%
I.	Current assets	286,991	40.1	308,856	42.1	21,865	293,525	40.7
	Cash and cash equivalents	21,694		28,019		6,325	19,358	
	Notes and accounts receivable	161,581		166,638		5,057	162,128	
	Inventories	79,185		89,620		10,435	86,920	
	Other	24,531		24,579		48	25,119	
II.	Fixed assets	427,876	59.9	424,282	57.9	-3,594	427,914	59.3
	Tangible fixed assets	359,886		357,923		-1,963	358,520	
	Intangible fixed assets	4,050		4,025		-25	4,115	
	Investment and other fixed assets	63,940		62,334		-1,606	65,279	
III.	Deferred assets	4	0.0	74	0.0	70	6	0.0
Total assets		714,871	100.0	733,212	100.0	18,341	721,445	100.0
(Liabilities)								
I.	Current liabilities	314,833	44.0	333,098	45.4	18,265	320,524	44.4
	Notes and accounts payable	104,351		110,377		6,026	103,918	
	Short-term debts	144,658		142,413		-2,245	158,817	
	Current portion of bonds	1,750		490		-1,260	1,650	
	Current portion of convertible bonds	-		19,897		19,897	-	
	Other liabilities	64,074		59,921		-4,153	56,139	
II.	Long-term liabilities	204,842	28.7	189,530	25.9	-15,312	215,846	29.9
	Bonds	970		16,200		15,230	1,190	
	Convertible bonds	19,898		-		-19,898	19,898	
	Long-term debts	152,740		142,667		-10,073	157,695	
	Accrued retirement benefits	7,486		7,250		-236	8,597	
	Other	23,748		23,413		-335	28,466	
Total liabilities		519,675	72.7	522,628	71.3	2,953	536,370	74.3
(Net Assets)								
I.	Stockholders' equity	158,062	22.1	170,229	23.2	12,167	151,196	21.0
	Common stock	58,399	8.2	58,400	8.0	1	58,399	8.1
	Capital surplus	28,362	4.0	28,376	3.9	14	28,336	3.9
	Retained earnings	71,676	10.0	83,915	11.4	12,239	64,829	9.0
	Treasury stock	-375	-0.1	-463	-0.1	-87	-368	-0.0
II.	Valuation and currency conversion differences	14,531	2.0	16,607	2.3	2,076	12,225	1.7
	Unrealized gain on holdings of other marketable securities	7,724	1.1	5,458	0.8	-2,266	9,095	1.3
	Deferred hedging gain/loss	-97	-0.0	-152	-0.0	-55	-97	-0.0
	Revaluation surplus on assets	332	0.0	307	0.0	-25	340	0.0
	Accumulated foreign currency transition adjustments	6,572	0.9	10,994	1.5	4,422	2,887	0.4
III.	Share acquisition rights	78	0.0	156	0.0	78	-	-
IV.	Minority interests	22,525	3.2	23,592	3.2	1,067	21,654	3.0
Total net assets		195,196	27.3	210,584	28.7	15,388	185,075	25.7
Total liabilities and Net assets		714,871	100.0	733,212	100.0	18,341	721,445	100.0

V. Summary of Consolidated Statements of Operations

(In millions of yen - rounded off)

	First 3 Quarters (From April 1 to December 31, 2007)	Same Period Last Year (From April 1 to December 31, 2006)	Change	Previous Fiscal Year (From April 1, 2006 to March 31, 2007)
Net sales	514,383	480,174	34,209	655,608
Cost of sales	414,136	389,459	24,677	527,990
Gross profit	100,247	90,715	9,532	127,618
Selling, general and administrative expenses	61,626	59,235	2,391	80,756
Operating income	38,621	31,480	7,141	46,862
Non-operating income	6,978	9,910	-2,932	13,021
Non-operating expenses	12,273	11,858	415	16,729
Ordinary income	33,326	29,532	3,794	43,154
Extraordinary gains	997	2,156	-1,159	5,957
Extraordinary losses	4,922	7,181	-2,259	13,108
Income before income taxes and minority interest	29,401	24,507	4,894	36,003
Income tax, inhabitants tax and enterprise tax	11,358	8,478	2,880	12,596
Minority interest	1,216	851	365	1,394
Net income	16,827	15,178	1,649	22,013

V. Information by Business Segment

Same Period Last Year (From April 1 to December 31, 2006)

(In millions of yen - rounded off)

	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals & Plastics	153,379	5,783	159,162	150,934	8,228
Specialty Chemicals & Products	64,943	1,233	66,176	58,026	8,150
Cement & Construction Materials	155,917	2,705	158,622	150,132	8,490
Machinery & Metal Products	81,424	826	82,250	78,121	4,129
Energy & Environment	21,547	6,679	28,226	26,401	1,825
Other	2,964	869	3,833	3,179	654
Total	480,174	18,095	498,269	466,793	31,476
Elimination or Corporate Consolidated	–	-18,095	-18,095	-18,099	4
Consolidated	480,174	–	480,174	448,694	31,480

First Three Quarters (From April 1 to December 31, 2007)

(In millions of yen - rounded off)

	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals & Plastics	170,493	6,631	177,124	165,279	11,845
Specialty Chemicals & Products	69,053	1,382	70,435	60,912	9,523
Cement & Construction Materials	155,191	3,060	158,251	149,928	8,323
Machinery & Metal Products	85,407	696	86,103	81,366	4,737
Energy & Environment	31,270	9,829	41,099	37,546	3,553
Other	2,969	960	3,929	3,254	675
Total	514,383	22,558	536,941	498,285	38,656
Elimination or Corporate Consolidated	–	-22,558	-22,558	-22,523	-35
Consolidated	514,383	–	514,383	475,762	38,621