



MEMBERSHIP
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Summary of Consolidated Business Results for the First Quarter 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 Quarter of Fiscal Year Ending March 31, 2008 (April 1, - June 30, 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
1Q ended June 30, 2007	160,311	+5.7%	7,971	+30.4%	7,680	+38.6%	4,544	+41.6%
1Q ended June 30, 2006	151,659	+13.3%	6,111	-6.0%	5,540	-10.2%	3,209	+4.6%
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)
1Q ended June 30, 2007	4.51	4.31
1Q ended June 30, 2006	3.19	3.04
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 *1	Net Assets per Share (Yen)
1Q ended June 30, 2007	727,983	198,501	24.2%	174.86
1Q ended June 30, 2006	702,836	169,260	21.5%	149.90
Reference: Previous fiscal year ended March 31, 2007	714,871	195,196	24.1%	171.49

*1 Equity Ratio=(Net Assets - Share acquisition rights - Minority interests) / Total Assets

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 First Half of fiscal year ending September 30, 2007	328,500 (+5.7%)	17,000 (-4.7%)	13,000 (-22.6%)	6,000 (-32.7%)	5.96
Current fiscal year ending March 31, 2008	668,000 (+1.9%)	45,000 (-4.0%)	37,000 (-14.3%)	21,000 (-4.6%)	20.87

About the Appropriate Use of the Earnings Forecast

The above earnings forecast is based on certain assumptions judged to be reasonable by the Company at the time this document was prepared. Actual results can vary significantly from forecasts, due to changes in a wide variety of conditions.

III. Qualitative Information and Consolidated Financial Statements

1. Qualitative Information for Consolidated Operating Results

The business environment in the first quarter of the fiscal year ending March 31, 2008 was marked by a number of negative factors including high prices for raw materials and fuel such as naphtha and coal, and ongoing inventory adjustments in markets for digital consumer products since the fall of 2006. However, there was an improvement in market conditions for products of Chemicals and Plastics, supported by strong Asian economies including the Japanese economy.

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 ¥160.3 billion for the first quarter, up 5.7% or ¥8.6 billion year-on-year. Contributing factors included higher revenue from the Chemicals and Plastic segment, due to various factors including adjustment of selling prices to reflect the rising cost of raw materials and fuel, and increases in the volume of business from abroad due to the impact of the weakening yen. Revenue from the Energy and Environment segment was also up due to factors such as increases in the sales volume for coal.

Operating income was ¥7.9 billion for the first quarter, up 30.4% or ¥1.8 billion year-on-year, due to factors such as a widening spread between selling prices and the cost of raw materials for core products in the Chemicals and Plastic segment. As a result, ordinary income was ¥7.6 billion for the first quarter, up 38.6% or ¥2.1 billion year-on-year. Net income was ¥4.5 billion for the first quarter, up 41.6% or ¥1.3 billion year-on-year.

The Company's first quarter results are generally lower than in other quarters due to the impact of various seasonal factors. These factors include regular shutdown at production facilities for chemicals and plastics and for specialty chemicals and products, which are concentrated in the first quarter. Other factors include seasonal concentration of demand for cement in the second half, as a core product of the Cement and Construction Materials segment, and shipments of machinery recorded at the end of the fiscal year.

The performance by business segment is summarized below.

A. Chemicals and Plastics

Net sales in the segment were ¥54.1 billion for the first quarter, up 10.5% or ¥5.1 billion year-on-year. Contributing factors included an increase in the volume of business from abroad due to the impact of the weakening yen, and increases in selling prices for caprolactam, polyamide resin and polybutadiene (synthetic rubber). Operating income in the segment was ¥1.9 billion for the first quarter, up 180.5% or ¥1.2 billion year-on-year due to factors such as widening spreads for caprolactam.

B. Specialty Chemicals and Products

Net sales in the segment were ¥21.8 billion for the first quarter, up 4.6% or ¥0.9 billion year-on-year. Although sales of some specialty products were impacted by inventory adjustments in markets for digital consumer products, the Company experienced strong shipments of pharmaceutical active ingredients and intermediates. Operating income in the segment was ¥2.8 billion for the first quarter, up 15.9% or ¥0.3 billion year-on-year due to factors such as volumes of pharmaceutical active ingredients and intermediates.

C. Cement and Construction Materials

Net sales in the segment ¥49.0 billion for the first quarter, down by 0.4% or ¥0.2 billion year-on-year, due to factors such as lower shipments of ready-mix concrete primarily in the Tokyo Metropolitan market. Operating income in the segment was ¥1.6 billion for the first quarter, up 12.9% or ¥0.1 billion year-on-year. Decreases in the volume of ready-mix concrete and other factors produced lower income, but it was offset by

higher income due to factors such as increases in waste processing for cement manufacturing processes.

D. Machinery and Metal Products

Net sales in the segment were ¥24.9 billion for the first quarter, down by 0.2% year-on-year. Lower revenue from machinery products such as vertical mills and die casting machines for the automotive industry were offset by higher revenues in areas such as steel products, as selling prices were adjusted to reflect the cost of materials. Meanwhile, revenues from the aluminum wheel business were approximately level year-on-year.

Operating income in the segment was ¥0.7 billion for the first quarter, down by 16.9% or ¥0.1 billion year-on-year. The results were impacted by lower revenues from machinery, although operating income for the aluminum wheel division improved due to factors such as increased shipments in Japan and cost reductions in North America.

E. Energy and Environment

Net sales in the segment were ¥9.1 billion for the first quarter, up 43.0% or ¥2.7 billion year-on-year, due to factors such as increases in the volume of coal sales and coal storage by contract, as well as increases in selling prices for coal sales. Operating income in the segment was ¥0.6 billion for the first quarter, up 23.3% or ¥0.1 billion year-on-year, as a result of factors such as increases in the volume of coal storage by contract.

F. Other

Net sales in other segments were ¥1.0 billion for the first quarter, with operating income of ¥0.1 billion. Both net sales and operating income were approximately level year-on-year.

2. Qualitative Information on Consolidated Financial Position

Total assets were ¥727.9 billion at the end of the first quarter, up ¥13.1 billion from the end of the previous fiscal year. Notes and account receivables were down, while cash and cash equivalents and inventories were up. Consequently, current assets were up ¥10.7 billion, while fixed assets were up ¥2.2 billion due to factors such as an increase in tangible fixed assets.

Total liabilities were ¥529.4 billion at the end of the first quarter, up ¥9.8 billion from the end of the previous fiscal year. Contributing factors included an increase in interest-bearing debt of ¥6.3 billion from the issuance of straight bonds, and a ¥1.1 billion increase in accounts payables.

Net assets were ¥198.5 billion at the end of the first quarter, due to factors such as an increase in accumulated foreign currency transition adjustments of ¥3.3 billion.

3. Notes

A. Changes at major subsidiaries in the first 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

In accordance with revisions to the Corporation Tax Law that took effect starting from this quarter, the depreciation cost for tangible fixed assets acquired on or after April 1, 2007 is recorded using the depreciation method stipulated by the revised Corporation Tax Law.

VI. Summary of Consolidated Balance Sheet

		(In millions of yen - rounded off)						
		Previous Fiscal Year Ended March 31, 2007		1Q Ended June 30, 2007		Change	1Q Ended June 30, 2006	
(Assets)		Amount	%	Amount	%	Amount	Amount	%
I.	Current assets	286,991	40.1	297,742	40.9	10,751	271,906	38.7
	Cash and cash equivalents	21,694		28,379		6,685	18,910	
	Notes and accounts receivable	161,581		155,589		-5,992	145,471	
	Inventories	79,185		88,594		9,409	86,881	
	Other	24,531		25,180		649	20,644	
II.	Fixed assets	427,876	59.9	430,153	59.1	2,277	430,923	61.3
	Tangible fixed assets	359,886		362,427		2,541	358,788	
	Intangible fixed assets	4,050		4,126		76	4,633	
	Investment and other fixed assets	63,940		63,600		-340	67,502	
III.	Deferred assets	4	0.0	88	0.0	84	7	0.0
Total assets		714,871	100.0	727,983	100.0	13,112	702,836	100.0
(Liabilities)								
I.	Current liabilities	314,833	44.0	314,406	43.2	-427	303,086	43.1
	Notes and accounts payable	104,351		105,487		1,136	101,913	
	Short-term debts	144,658		141,834		-2,824	134,912	
	Current portion of bonds	1,750		650		-1,100	8,460	
	Other liabilities	64,074		66,435		2,361	57,801	
II.	Long-term liabilities	204,842	28.7	215,076	29.5	10,234	230,490	32.8
	Bonds	970		16,440		15,470	1,410	
	Convertible bonds	19,898		19,898		-	19,898	
	Long-term debts	152,740		147,534		-5,206	172,983	
	Accrued retirement benefits	7,486		7,406		-80	9,316	
	Other	23,748		23,798		50	26,883	
Total liabilities		519,675	72.7	529,482	72.7	9,807	533,576	75.9
(Net Assets)								
I.	Stockholders' equity	158,062	22.1	157,974	21.7	-88	139,214	19.8
	Common stock	58,399	8.2	58,399	8.0	-	58,399	8.3
	Capital surplus	28,362	4.0	28,362	3.9	-	28,295	4.0
	Retained earnings	71,676	10.0	71,605	9.8	-71	52,858	7.5
	Treasury stock	-375	-0.1	-392	-0.0	-17	-338	-0.0
II.	Valuation and currency conversion differences	14,531	2.0	18,001	2.5	3,470	11,634	1.7
	Unrealized gain on holdings of other marketable securities	7,724	1.1	7,799	1.1	75	10,544	1.5
	Deferred hedging gain/loss	-97	-0.0	-32	-0.0	65	13	0.0
	Revaluation surplus on assets	332	0.0	324	0.0	-8	357	0.1
	Accumulated foreign currency transition adjustments	6,572	0.9	9,910	1.4	3,338	720	0.1
III.	Share acquisition rights	78	0.0	104	0.0	26	-	-
IV.	Minority interests	22,525	3.2	22,422	3.1	-103	18,412	2.6
Total net assets		195,196	27.3	198,501	27.3	3,305	169,260	24.1
Total liabilities and Net assets		714,871	100.0	727,983	100.0	13,112	702,836	100.0

V. Summary of Consolidated statements of Operations

(In millions of yen - rounded off)

	Same Quarter Last Year (From April 1 to June 30, 2006)	Current Quarter (From April 1 to June 30, 2007)	Change	Previous Fiscal Year (From April 1, 2006 to March 31, 2007)
Net sales	151,659	160,311	8,652	655,608
Cost of sales	126,261	132,273	6,012	527,990
Gross profit	25,398	28,038	2,640	127,618
Selling, general and administrative expenses	19,287	20,067	780	80,756
Operating income	6,111	7,971	1,860	46,862
Non-operating income	3,212	3,375	163	13,021
Non-operating expenses	3,783	3,666	-117	16,729
Ordinary income	5,540	7,680	2,140	43,154
Extraordinary gains	101	216	115	5,957
Extraordinary losses	145	51	-94	13,108
Income before income taxes and minority interest	5,496	7,845	2,349	36,003
Income tax, inhabitants tax and enterprise tax	2,300	3,359	1,059	12,596
Minority interest	-13	-58	-45	1,394
Net income	3,209	4,544	1,335	22,013

IV. Information by Business Segment

Same Quarter Last Year (From April 1 to June 30, 2006)

(In millions of yen - rounded off)

	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals and Plastics	49,011	1,843	50,854	50,152	702
Specialty Chemicals and Products	20,840	377	21,217	18,798	2,419
Cement and Construction Materials	49,300	794	50,094	48,672	1,422
Machinery and Metal Products	25,030	423	25,453	24,530	923
Energy and Environment	6,405	1,743	8,148	7,658	490
Other	1,073	199	1,272	1,103	169
Total	151,659	5,379	157,038	150,913	6,125
Elimination or Corporate	-	-5,379	-5,379	-5,365	-14
Consolidated	151,659	-	151,659	145,548	6,111

Current Quarter (From April 1 to June 30, 2007)

(In millions of yen - rounded off)

	(1) Outside Customers	Net Sales (2) Inter-Segment Sales and Transfers	Total	Operating Expenses	Operating Income
Chemicals and Plastics	54,181	1,941	56,122	54,153	1,969
Specialty Chemicals and Products	21,808	269	22,077	19,274	2,803
Cement and Construction Materials	49,094	789	49,883	48,277	1,606
Machinery and Metal Products	24,983	158	25,141	24,374	767
Energy and Environment	9,161	1,948	11,109	10,505	604
Other	1,084	221	1,305	1,138	167
Total	160,311	5,326	165,637	157,721	7,916
Elimination or Corporate	-	-5,326	-5,326	-5,381	55
Consolidated	160,311	-	160,311	152,340	7,971