

2008 Financial Results (Summary)

I. Results for 2008

1. Summary

(Unit: billions of yen, except for stockholders' equity/share, net income/share and cash dividends/share)

| Items | 2007 | | 2008 | | Increase | |
|--------------------------------|--------------|---------|--------------|---------|--------------|---------|
| | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent |
| Net Sales | 1,023.2 | 709.6 | 1,003.9 | 705.2 | -19.4 | -4.4 |
| Operating Income | 76.7 | 48.8 | 26.8 | 13.5 | -49.9 | -35.2 |
| Net Income | 33.1 | 22.3 | 2.5 | 3.4 | -30.6 | -18.9 |
| Stockholders' equity per share | ¥222.31 | ¥201.20 | ¥192.85 | ¥186.25 | ¥-29.46 | ¥-14.95 |
| Net Income per share | ¥27.52 | ¥18.55 | ¥1.96 | ¥2.72 | ¥-25.56 | ¥-15.83 |
| Cash dividends per share | | ¥5.00 | | ¥5.00 | | — |

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

| Segment | | 2007 | | 2008 | | Increase | |
|--------------------|------------------|--------------|--------|--------------|--------|--------------|--------|
| | | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent |
| Petrochemicals | Net Sales | 395.1 | 302.5 | 400.2 | 315.3 | 5.1 | 12.8 |
| | Operating Income | 19.6 | 16.8 | -1.3 | -3.9 | -20.9 | -20.8 |
| Chemicals | Net Sales | 84.7 | 69.1 | 93.3 | 72.8 | 8.6 | 3.7 |
| | Operating Income | 7.4 | 6.8 | 5.3 | 4.1 | -2.1 | -2.6 |
| Electronics | Net Sales | 201.0 | 112.9 | 188.8 | 108.6 | -12.2 | -4.3 |
| | Operating Income | 25.8 | 13.0 | 9.3 | 9.1 | -16.6 | -3.8 |
| Inorganics | Net Sales | 84.6 | 55.3 | 88.8 | 58.9 | 4.2 | 3.6 |
| | Operating Income | 20.9 | 12.1 | 19.2 | 11.0 | -1.7 | -1.1 |
| Aluminum | Net Sales | 257.8 | 169.8 | 232.8 | 149.6 | -25.0 | -20.2 |
| | Operating Income | 8.0 | 5.3 | -0.2 | -1.4 | -8.3 | -6.7 |
| HQ costs and other | Net Sales | — | — | — | — | — | — |
| | Operating Income | -5.1 | -5.2 | -5.5 | -5.4 | -0.4 | -0.1 |
| Total | Net Sales | 1,023.2 | 709.6 | 1,003.9 | 705.2 | -19.4 | -4.4 |
| | Operating Income | 76.7 | 48.8 | 26.8 | 13.5 | -49.9 | -35.2 |

3. Reference (Consolidated)

(Unit: billions of yen)

| Items | 2007 | 2008 | Increase |
|---|---------|--------|----------------|
| Capital expenditures | 69.3 | 54.8 | -14.5 |
| Depreciation and amortization | 49.8 | 60.4 | 10.7 |
| R&D expenditures | 17.4 | 20.1 | 2.7 |
| Total assets | 1,029.6 | 962.0 | -67.6 |
| Interest bearing debt | 395.6 | 392.9 | -2.7 |
| Gap between interest/dividend income and interest expense | -6.8 | -6.3 | 0.6 |
| Total number of employees | 11,329 | 11,756 | 427 |
| Exchange rate (yen/US\$) | 117.8 | 103.5 | strong 14.3yen |
| Domestic naphtha price (yen/kl) | 56,975 | 68,900 | 11,925 |

4. Cash Flow (Consolidated)

(Unit: billions of yen)

| Cash Flows from: | 2007 | 2008 | Increase |
|----------------------|-------|-------|----------|
| Operating Activities | 67.3 | 61.1 | -6.2 |
| Investing Activities | -69.7 | -44.0 | 25.6 |
| Free Cash Flow | -2.3 | 17.1 | 19.4 |
| Financing Activities | -20.6 | -3.8 | 16.7 |
| Newly Consolidated | -0.3 | -4.2 | -3.9 |
| Net increase in Cash | -23.2 | 9.1 | 32.3 |

II. Forecast for 2009

1. Summary

(Unit: billions of yen, except for net income/share and cash dividends/share)

| Items | 2008 | | 2009Forecast | | Increase | |
|--------------------------|--------------|--------|--------------|--------|--------------|--------|
| | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent |
| Net Sales | 1,003.9 | 705.2 | 800.0 | 515.0 | -203.9 | -190.2 |
| Operating Income | 26.8 | 13.5 | 17.0 | 2.0 | -9.8 | -11.5 |
| Net Income | 2.5 | 3.4 | 2.0 | 4.0 | -0.5 | 0.6 |
| Net Income per share | ¥1.96 | ¥2.72 | ¥1.60 | ¥3.21 | ¥-0.36 | ¥0.49 |
| Cash dividends per share | | ¥5.00 | | * | | — |

* The Company has not yet decided on dividends for 2009.

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

| Segment | | 2008 | | 2009Forecast | | Increase | |
|--------------------|------------------|--------------|--------|--------------|--------|--------------|--------|
| | | Consolidated | Parent | Consolidated | Parent | Consolidated | Parent |
| Petrochemicals | Net Sales | 400.2 | 315.3 | 245.0 | 150.0 | -155.2 | -165.3 |
| | Operating Income | -1.3 | -3.9 | 3.0 | 1.0 | 4.3 | 4.9 |
| Chemicals | Net Sales | 93.3 | 72.8 | 100.0 | 70.0 | 6.7 | -2.8 |
| | Operating Income | 5.3 | 4.1 | 2.0 | 1.0 | -3.3 | -3.1 |
| Electronics | Net Sales | 188.8 | 108.6 | 155.0 | 90.0 | -33.8 | -18.6 |
| | Operating Income | 9.3 | 9.1 | 0.0 | -2.0 | -9.3 | -11.1 |
| Inorganics | Net Sales | 88.8 | 58.9 | 90.0 | 65.0 | 1.2 | 6.1 |
| | Operating Income | 19.2 | 11.0 | 17.5 | 10.5 | -1.7 | -0.5 |
| Aluminum | Net Sales | 232.8 | 149.6 | 210.0 | 140.0 | -22.8 | -9.6 |
| | Operating Income | -0.2 | -1.4 | 0.0 | -3.0 | 0.2 | -1.6 |
| HQ costs and other | Net Sales | — | — | — | — | — | — |
| | Operating Income | -5.5 | -5.4 | -5.5 | -5.5 | 0.0 | -0.1 |
| Total | Net Sales | 1,003.9 | 705.2 | 800.0 | 515.0 | -203.9 | -190.2 |
| | Operating Income | 26.8 | 13.5 | 17.0 | 2.0 | -9.8 | -11.5 |

3. Reference (Consolidated)

(Unit: billions of yen)

| Items | 2008 | 2009Forecast | Increase |
|---|----------|--------------|----------|
| Capital expenditures | 54.8 | 44.0 | -10.8 |
| Depreciation and amortization | 60.4 | 56.0 | -4.5 |
| R&D expenditures | 20.1 | 24.9 | 4.8 |
| Interest bearing debt | 392.9 | 385.0 | -7.9 |
| Gap between interest/dividend income and interest expense | -6.3 | -7.0 | -0.7 |
| Total number of employees | 11,756 | 11,290 | -466 |
| Exchange rate (yen/US\$) | 1st half | 105 | 90 |
| | 2nd half | 102 | 95 |
| Domestic naphtha price (yen/kl) | 1st half | 68,800 | 32,000 |
| | 2nd half | 69,000 | 40,000 |

The performance forecast for 2009 is based on the economic conditions and the Company's business policy at this point of time. Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in the market conditions.