

First Half 2010 Financial Results

I. First Half Results 2010

1. Summary

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

Items	1st half, 2009 (Jan.-Jun.)	1st half, 2010 (Jan.-Jun.)	Increase
Net Sales	286.7	384.1	97.4
Operating Income	-22.9	17.7	40.6
Net Income	-46.5	7.7	54.2
Net Income per share	¥37.29	¥5.15	¥42.44
Cash dividends per share	¥155.19	¥157.91	¥2.72

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		1st half, 2009 (Jan. - Jun.)	1st half, 2010 (Jan. - Jun.)	Increase	CQ1,2010 (Jan. - Mar.)	CQ2,2010 (Apr.-Jun.)
Petrochemicals	Net Sales	96.2	126.4	30.2	64.2	62.3
	Operating Income	2.0	1.6	-0.4	1.0	0.6
Chemicals	Net Sales	46.8	44.6	-2.2	21.8	22.8
	Operating Income	-1.1	2.2	3.4	1.1	1.1
Electronics	Net Sales	43.0	86.8	43.8	42.6	44.2
	Operating Income	-15.7	6.8	22.4	2.5	4.2
Inorganics	Net Sales	22.9	37.1	14.3	17.4	19.8
	Operating Income	0.3	3.7	3.4	1.1	2.6
Aluminum	Net Sales	77.7	89.1	11.3	41.8	47.3
	Operating Income	-6.8	4.6	11.3	1.8	2.7
HQ costs and other	Net Sales	-	-	-	-	-
	Operating Income	-1.6	-1.1	0.5	-0.6	-0.5
Total	Net Sales	286.7	384.1	97.4	187.7	196.4
	Operating Income	-22.9	17.7	40.6	7.0	10.7

3. Cash Flow (Consolidated)

(Unit: billions of yen)

Cash Flows from:	1st half, 2009 (Jan. - Jun.)	1st half, 2010 (Jan. - Jun.)	Increase
Operating Activities	-17.6	20.0	37.6
Investing Activities	-9.4	-23.2	-13.8
Free Cash Flow	-27.0	-3.2	23.8
Financing Activities	27.9	-18.0	-45.9
Other	1.4	-1.1	-2.6
Net increase in Cash	2.3	-22.4	-24.7

4. Reference (Consolidated)

(Unit: billions of yen)

Items	1st half, 2009 (Jan. - Jun.)	1st half, 2010 (Jan. - Jun.)	Increase
Capital expenditures	20.3	34.3	14.0
Depreciation and amortization	27.9	24.8	-3.1
R&D expenditures	10.5	10.2	-0.3
Total assets	906.9	939.5	32.7
Interest bearing debt	432.2	365.6	-66.6
Gap between interest/dividend income and interest expense	-2.7	-2.2	0.5
Total number of employees	11,226	11,409	183
Exchange rate (yen/US\$)	96	91	Yen strengthened by 4/\$
Domestic naphtha price (yen/kl)	30,150	48,700	18,550

II. Forecast for 2010 (full year)

Revised on August 3rd, 2010

1. Summary

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

Items	Earlier forecast	Revised forecast	Increase	2009	Increase
	Announced Apr. 30	Announced Aug. 3			
Net Sales	800.0	825.0	25.0	678.2	146.8
Operating Income	33.0	40.0	7.0	-5.0	45.0
Net Income	12.0	14.0	2.0	-38.0	52.0
Net Income per share	¥8.02	¥9.35	¥1.33	¥-29.44	¥38.79
Cash dividends per share	¥3.00	¥3.00	—	¥3.00	—

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		Earlier forecast	Revised forecast	Increase	2009	Increase
		Announced Apr. 30	Announced Aug. 3			
Petrochemicals	Net Sales	275.0	285.0	10.0	236.0	49.0
	Operating Income	6.0	6.0	0.0	8.0	-2.0
Chemicals	Net Sales	95.0	95.0	0.0	91.9	3.1
	Operating Income	4.0	4.0	0.0	0.4	3.6
Electronics	Net Sales	195.0	195.0	0.0	127.8	67.2
	Operating Income	15.0	16.0	1.0	-9.8	25.8
Inorganics	Net Sales	70.0	75.0	5.0	53.7	21.3
	Operating Income	6.0	8.5	2.5	3.6	4.9
Aluminum	Net Sales	165.0	175.0	10.0	168.8	6.2
	Operating Income	6.0	8.5	2.5	-4.2	12.7
HQ costs and other	Net Sales	—	—	—	—	—
	Operating Income	-4.0	-3.0	1.0	-3.0	0.0
Total	Net Sales	800.0	825.0	25.0	678.2	146.8
	Operating Income	33.0	40.0	7.0	-5.0	45.0

3. Reference (Consolidated)

(Unit: billions of yen)

	2009	2010 Forecast	Increase
Capital expenditures	38.7	67.9	29.2
Depreciation and amortization	54.4	52.4	-2.0
R&D expenditures	20.7	21.9	1.2
Interest bearing debt	373.9	365.0	-8.9
Gap between interest/dividend income and interest expense	-5.6	-5.0	0.6
Total number of employees	11,564	11,654	90
Exchange rate (yen/US\$)	94	91	-3
Domestic naphtha price (yen/kl)	36,000	47,925	11,925

The performance forecast for 2010 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.