

Results for the First Half Ended September 30, 2003

Kureha Chemical Industry Co., Ltd.

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. Results for the First Half Ended September 2003

Consolidated Companies (1)

Unit: 100 million yen

		First Half ended September 2003		First Half ended September 2002		Increase / Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Kureha Chemical Industry		417	1,333	386	1,382	31	-49
Nishiki Trading Co., Ltd. and 1 group company		133	118	128	120	5	-2
Advanced Materials	Kureha Chemical Industry	96	-	93	-	3	-
	KUREHA CHEMICALS(SINGAPORE)PTE.LTD.	-	-	24	37	-24	-37
	KUREHA CHEMICALS GmbH	5	7	16	9	-11	-2
	KREHA CORPORATION OF AMERICA	5	5	8	6	-3	-1
	Nishiki Trading Co., Ltd. and 1 group company	41	-	30	-	11	-
	KUREHA KPS, INC.	3	25	-	26	3	-1
	Consolidation adjustments	-24	-	-28	-	4	-
Total		126	-	143	-	-17	-
Specialty Products	Kureha Chemical Industry	143	-	122	-	21	-
	Nishiki Trading Co., Ltd.	38	-	35	-	3	-
	Consolidation adjustments	-16	-	-15	-	-1	-
Total		165	-	142	-	23	-
Plastics	Kureha Chemical Industry	177	-	171	-	6	-
	Kureha Gosen Co., Ltd.	16	25	16	29	0	-4
	Kureha Plastics Co., Ltd.	57	75	60	78	-3	-3
	Kakogawa Plastics Co., Ltd	14	21	14	21	0	0
	Sanko Plastics Co., Ltd.	14	17	13	21	1	-4
	Nishiki Trading Co., Ltd.	47	-	48	-	-1	-
	KREHALON INDUSTRIE B.V.	20	33	17	27	3	6
	Five other group companies in Europe handling food wrapping	22	29	21	29	1	0
	Consolidation adjustments	-117	-	-123	-	6	-
	Total		250	-	237	-	13

Consolidated Companies (2)

Unit: 100 million yen

		First Half ended September 2003		First Half ended September 2002		Increase / Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other	Kureha Kosan Co., Ltd. and 2 group companies	11	65	13	78	-2	-13
	KurehaTransport Co., Ltd. and 7 group companies	61	54	59	57	2	-3
	Kureha Environmental Engineering Co., Ltd. and 1 group company	26	44	21	44	5	0
	Kureha Construdction Co., Ltd. and 3 group companies	51	59	33	81	18	-22
	Kureha Techno Eng Co., Ltd. and 1 group company	33	48	42	48	-9	0
	Nishiki Trading Co., Ltd.	7	-	14	-	-7	-
	Kureha Special Laboratory Co., Ltd.	6	4	6	3	0	4
	Consolidation adjustments	-80	-	-86	-	-	-
Total		115	-	102	-	-	-
(Number of consolidated companies)		(35)		(38)		(-3)	
Consolidated Total		657	1,673	624	1,731	33	-58
Equity-method affiliates	ROHM & HAAS(SCOTLAND) LTD.	(-)		(46)		(-46)	
	RUTGERS KUREHA SOLVENTS GmbH	(11)		(10)		(1)	

Reduction of 3 consolidated companies <Advanced Material>

<Other>

Japan Singapore Modifiers Co., Ltd.

KUREHA CHEMICAL(SINGAPORE) PTE.LTD.

One of Kureha Transport Co., Ltd. Group companies (Trade)

Financial Highlights

(Consolidated and Non-consolidated)

Unit: 100 million yen

	First Half ended September 2003			First Half ended September 2002			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	657	417	1.6	624	386	1.6	33	5.3%	31	8.0%
Operating income	42	30	1.4	22	13	1.7	20	88.7%	17	129.7%
Recurring income	36	27	1.3	18	14	1.3	18	100.7%	13	93.1%
Net income	18	14	1.3	10	9	1.1	8	86.3%	5	63.2%
Total assets	1,673	1,333	1.3	1,792	1,382	1.3	-119	-6.6%	-49	-3.6%
Shareholders' equity	874	845	1.0	858	835	1.0	16	1.8%	10	1.2%
Net income per share(¥)	9.32	7.22	1.3	4.87	4.31	1.1	4.45	91.4%	2.91	67.5%
Shareholders' equity per share(¥)	453.91	438.05	1.0	435.49	421.88	1.0	18.42	4.2%	16.17	3.8%
Equity ratio	% 52.3	% 63.4	0.8	% 47.9	% 60.4	0.8	% 4.4	9.2%	% 3	5.0%

Comparison of Main Indicators (Consolidated and Non-consolidated)

Units: 100million yen

	First Half ended September 2003			First Half ended September 2002			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Relative size	Consolidated	Non-consolidated	Relative size	Consolidated		Non-consolidated	
Capital expenditure	31	30	1.0	54	49	1.1	-23	-42.6%	-19	-38.8%
Depreciation and amortisation	39	29	1.3	41	29	1.4	-2	-4.9%	0	0.0%
R&D expenses	30	30	1.0	30	29	1.0	0	0.0%	1	3.4%
Interest-bearing debt	414	281	1.5	557	373	1.5	-143	-25.7%	-92	-24.7%
Net interest expense	-1	1	-	-1	2	-	0	0.0%	-1	-50.0%
Employees	3,948	1,474	2.7	4,133	1,499	2.8	-185	-4.5%	-25	-1.7%

Consolidated Net Sales and Operating Income

< Advanced Materials >

Unit: 100 million yen

			First Half ended September 2003	First Half ended September 2002	Increase/Decrease(Ratio)	
Consolidated net sales	Kureha Chemical Industry	Modifiers	12	20	-8	-40.0%
		Carbon products	31	25	6	24.0%
		Functional plastics	47	37	10	27.0%
		Other	6	10	-4	-40.0%
		Total	96	93	3	3.2%
	Consolidated subsidiaries		54	78	-24	-30.8%
	Eliminations		-24	-28	4	
	Total		126	143	-17	-11.9%
Consolidated operating income			14	12	2	16.7%

Consolidated Net Sales and Operating Income

< Specialty Products >

Unit: 100 million yen

		First Half ended September 2003	First Half ended September 2002	Increase/Decrease(Ratio)		
Consolidated net sales	Kureha Chemical Industry	PVC plastics	18	23	-5	-21.7%
		Industrial chemicals	46	41	5	12.2%
		Agrochemicals	29	19	10	52.6%
		Pharmaceuticals	50	39	11	28.2%
	Total	143	122	21	17.2%	
	Consolidated subsidiaries	38	35	3	8.6%	
	Eliminations	-16	-15	2		
Total		165	142	23	16.2%	
Consolidated operating income		21	-0	21		

Consolidated Net Sales and Operating Income

< Plastics >

Unit: 100 million yen

			First Half ended September 2003	First Half ended September 2002	Increase/Decrease(Ratio)	
Consolidated net sales	Kureha Chemical Industry	Food service - use packaging material	62	62	0	0.0%
		Household goods	95	96	-1	-1.0%
		Fishing lines	4	9	-5	-55.6%
		Other	16	4	12	300.0%
	Total		177	171	6	3.5%
	Consolidated subsidiaries		190	189	1	0.5%
	Eliminations		-117	-123	6	
	Total		250	237	13	5.5%
Consolidated operating income			-0	8	-8	

Consolidated Net Sales and Operating Income

< Other >

Unit: 100 million yen

		First Half ended September 2003	First Half ended September 2002	Increase/Decrease(Ratio)		
Consolidated net sales	Consolidated subsidiaries	Transport and warehousing business	61	59	2	3.4%
		Environmental engineering business	32	27	5	18.5%
		Construction-related business	84	75	9	12.0%
		Trading	7	14	-7	-50.0%
		Other	11	13	-2	-15.4%
		Total	195	188	7	3.7%
	Eliminations	-80	-86	6		
Total		115	102	13	12.7%	
Consolidated operating income		9	2	7	350.0%	

Analysis of Consolidated Recurring Income

Unit: 100 million yen

		First Half ended September 2003	First Half ended September 2002	Difference
Recurring Income	Kureha Chemical Industry	27.0	14.0	13.0
	Consolidated subsidiaries	11.7	6.4	5.3
	Equity-method affiliates	0.0	0.5	-0.5
	Consolidation adjustments	-2.6	-3.0	0.4
	Total	36.1	17.9	18.2

Factors affecting recurring income

	Positive		Negative		Total
	Item	Amount	Item	Amount	
Kureha Chemical Industry	Increase in sales volume (Includes difference in technology fees)	23.2	Increase in unit-cost of purchase raw material and products	-6.7	13.0
	Decrease in cost of goods sold	5.8	Increase in selling and administrative expense	-7.8	
	Reduction of selling expense	2.7	Difference in non-operating expense	-4.2	
		31.7		-18.7	
Consolidated subsidiaries	Advanced material business	3.0	Plastic modifier business	-4.6	5.3
	Metalized film material business	0.7	Food packaging material business in Europe	-0.4	
	Others	6.7			
		10.3		-5.0	
Equity-method affiliates			RHS(Scotland)	-0.3	-0.5
			RKS(Germany)	-0.2	
		0.0		-0.5	

Breakdown of Extraordinary Income/Losses

Unit: 100 million yen

		First Half ended September 2003		First Half ended September 2002		Difference	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Extraordinary Income	Income from sales of investment securities	4.1	4.0	7.7	3.7	-3.6	0.3
	Other	0.5	0.0	0.8	0.2	-0.3	-0.2
	Total	4.6	4.0	8.5	4.0	-3.9	0.0
Extraordinary Losses	Appraisal loss on investment securities	0.0	0.0	0.2	0.1	0.2	0.1
	Loss on liquidation of subsidiary	-	-	-	0.2	-	0.2
	Retirement benefit expense	2.6	-	2.6	-	0.0	-
	Loss on sales of fixed assets	6.8	7.1	2.4	3.1	-4.4	-4.0
	Other	1.3	-	0.4	0.0	-0.9	-0.0
	Total	10.7	7.1	5.6	3.4	-5.1	-3.7

Balance Sheets

(Consolidated and Non-consolidated)

1. Assets

Unit: 100 million yen

	As of September 30, 2003		As of March 31, 2003		Increase/Decrease		(Ref.)As of September 30, 2002	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalent	52	40	74	36	-22	4	55	35
Accounts and notes receivable - trade	353	234	402	267	-49	-33	373	244
Inventories	207	128	204	130	3	-2	228	130
Other current assets	40	81	44	97	-4	-16	37	77
Property, plant and equipment	661	449	672	459	-11	-10	707	461
Intangible assets	24	22	25	23	-1	-1	24	22
Total investments and other assets	337	378	310	357	27	21	367	413
Total assets	1,673	1,333	1,731	1,370	-58	-37	1,792	1,382

2. Liabilities, minority interests and shareholders' equity

Unit: 100 million yen

	As of September 30, 2003		As of March 31, 2003		Increase/Decrease		(Ref.)As of September 30, 2002	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable - trade	161	76	188	82	-27	-6	177	76
Interest-bearing debt	414	281	472	329	-58	-48	557	373
Reserves	44	14	46	19	-2	-5	48	23
Other liabilities	164	117	152	105	12	12	133	75
Minority interests	15	-	14	-	1	-	19	-
Common stock	125	125	125	125	0	-0	125	125
Capital reserve	97	97	97	97	0	0	97	97
Retained earnings	612	579	605	577	7	2	630	602
Unrealized gains on investment securities	53	52	38	37	15	15	33	29
Foreign currency translation adjustments	-3	0	-4	0	1	0	-6	0
treasury stock	-9	-7	-2	-1	-7	-6	-20	-17
Total	1,673	1,333	1,731	1,370	-58	-37	1,792	1,382

Cash Flows

(Consolidated and Non-consolidated)

Unit: 100 million yen

		First Half ended September 2003		First Half ended September 2002		Difference	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Cash flows from Operating activities	Net income before income tax	30	24	21	15	9	9
	Depreciation	39	29	41	29	-2	0
	Other-net	9	20	-16	-7	25	27
		78	73	46	36	32	37
Cash flows from investing activities		-24	-2	-15	-26	-9	24
Cash flows from financing activities		-77	-67	-45	-19	-32	-48
Effect of exchange rate changes on cash and cash equivalents		0	-0	-0	0	0	-0
Cash and cash equivalents at beginning of year		74	36	69	44	5	-8
Net increase/decrease in cash and cash equivalents		-22	4	-13	-9	-9	13
Cash and cash equivalents at end of year		52	40	55	35	-3	5

. Estimates for the Year Ending March 2004

Estimated figure (Consolidated and Non-consolidated)

Unit: 100 million yen

	Year ending March 31, 2004(est.)			Year ended March 31, 2003			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,390	875	1.6	1,376	840	1.6	14	1.0%	35	4.2%
Operating income	103	73	1.4	83	47	1.8	20	24.1%	26	55.3%
Recurring income	90	70	1.3	75	53	1.4	15	20.0%	17	32.1%
Net income	40	33	1.2	15	14	1.1	25	166.7%	19	135.7%

Comparison of Main Indicator (Consolidated and Non-consolidated)

Units: 100million yen

	Year ending March 2004(est.)			Year ended March 2003			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Relative size	Consolidated	Non-consolidated	Relative size	Consolidated		Non-consolidated	
Capital expenditure	100	85	1.2	99	85	1.2	1	1.0%	0	0.0%
Depreciation and amortisation	83	60	1.4	88	60	1.5	-5	-5.7%	0	0.0%
R&D expenses	72	70	1.0	63	61	1.0	9	14.3%	9	14.8%
Interest-bearing debt	380	251	1.5	472	329	1.4	-92	-19.5%	-78	-23.7%
Net interest expense	-4	3	-	-4	7	-	0	0.0%	-4	-57.1%
Employees	3,880	1,434	2.7	4,012	1,476	2.7	-132	-3.3%	-42	-2.8%

Consolidated Net Sales and Operating Income < Advanced Materials >

Unit: 100 million yen

		Year ending March 2004 (est.)	Year ended March 2003	Increase/Decrease(Ratio)		
Consolidated net sales	Kureha Chemical Industry	Modifiers	23	45	-22	-48.9%
		Carbon products	60	55	5	9.1%
		Functional plastics	95	81	14	17.3%
		Other	18	22	-4	-18.2%
	Total		196	202	-6	-3.0%
	Consolidated subsidiaries		99	173	-74	-42.8%
	Eliminations		-49	-58	9	
Total		246	318	-72	-22.6%	
Consolidated operating income		31	40	-9	-22.5%	

Consolidated Net Sales and Operating Income < Specialty Products >

Unit: 100 million yen

		Year ending March 2004 (est.)	Year ended March 2003	Increase/Decrease(Ratio)		
Consolidated net sales	Kureha Chemical Industry	PVC plastics	35	39	-4	-10.3%
		Industrial chemicals	89	86	3	3.5%
		Agrochemicals	68	65	3	4.6%
		Pharmaceuticals	95	81	14	17.3%
		Total	287	270	17	6.3%
		Consolidated subsidiaries	72	73	-1	-1.4%
		Eliminations	-38	-33	-6	
		Total	321	311	10	3.2%
Consolidated operating income		31	15	16	110.9%	

Consolidated Net Sales and Operating Income

< Plastics >

Unit: 100 million yen

		Year ending March 2004 (est.)	Year ended March 2003	Increase/Decrease(Ratio)		
Consolidated net sales	Kureha Chemical Industry	Food service - use packaging material	156	157	-1	-0.6%
		Household goods	195	181	14	7.7%
		Fishing lines	14	16	-2	-12.5%
		Other	27	14	13	92.9%
	Total		392	368	24	6.5%
	Consolidated subsidiaries		446	403	43	10.7%
	Eliminations		-295	-262	-33	
	Total		543	510	33	6.5%
Consolidated operating income		25	18	7	38.9%	

Consolidated Net Sales and Operating Income

< Other >

Unit: 100 million yen

			Year ending March 2004 (est.)	Year ended March 2003	Increase/Decrease(Ratio)	
Consolidated net sales	Consolidated subsidiaries	Transport and warehousing business	123	122	1	0.8%
		Environmental engineering business	66	56	10	17.9%
		Construction-related business	224	214	10	4.7%
		Trading	24	22	2	9.1%
		Other	22	26	-4	-15.4%
		Total	460	440	20	4.5%
	Eliminations	-180	-201	21		
	Total	280	238	42	17.6%	
Consolidated operating income			16	12	4	33.3%

Cash Flows

(Consolidated and Non-consolidated)

Unit: 100 million yen

		Year ending March 2004(est.)		Year ended March 2003		Difference	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash flows from Operating activities	Net income before income tax	69	62	35	22	34	40
	Depreciation	83	60	88	60	-5	0
	Other-net	20	17	35	16	-15	1
		172	139	157	99	15	40
Cash flows from investing activities		-60	-30	-29	-30	-31	0
Cash flows from financing activities		-123	-109	-123	-76	0	-33
Effect of exchange rate changes on cash and cash equivalents		0	0	0	0	0	-0
Cash and cash equivalents at beginning of year		74	36	68	44	6	-8
Net increase/decrease in cash and cash equivalents		-11	-0	5	-8	-16	8
Cash and cash equivalents at end of year		63	36	74	36	-11	-0

Disclaimer

- This material is presented to foster a deeper understanding of Kureha Chemical Industry and not for the purpose of soliciting investors.
- This material contains judgments based on information available to Kureha Chemical Industry at the time of compilation. Actual results may differ materially from forecasts due to a range of factors.
- Investors are asked to form their own judgments about, and take responsibility for use of this material.