

Results for the Year ended March 31, 2004

May 21, 2004

Kureha Chemical Industry Co., Ltd.

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Fiscal 2003 Results and Fiscal 2004 Forecasts

Consolidated Companies(1)

Unit: 100 million yen

		Year ended March 31, 2003		Year ended March 31, 2004		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Kureha Chemical Industry		840	1,370	836	1,363	-4	-7
Nishiki Trading Co., Ltd. and 1 group company		270	129	272	128	2	-1
Advanced Materials	Kureha Chemical Industry	202	-	193	-	-9	-
	KUREHA CHEMICALS(SINGAPORE)PTE.LTD.	51	-	-	-	-51	-
	KUREHA CHEMICALS GmbH	36	12	9	5	-27	-7
	KREHA CORPORATION OF AMERICA	15	5	10	5	-5	0
	Nishiki Trading Co., Ltd. and 1 group company	71	-	83	-	12	-
	KUREHA KPS, INC.	1	23	4	24	3	1
Consolidation adjustments		-58	-	-50	-	8	-
Total		318	-	249	-	-69	-
Specialty Products	Kureha Chemical Industry	270	-	285	-	15	-
	Nishiki Trading Co., Ltd.	73	-	73	-	0	-
	Consolidation adjustments	-32	-	-30	-	2	-
Total		311	-	328	-	17	-
Plastics	Kureha Chemical Industry	368	-	358	-	-10	-
	Kureha Gosen Co., Ltd.	34	28	33	24	-1	-4
	Kureha Plastics Co., Ltd.	129	77	121	74	-8	-3
	Kakogawa Plastics Co., Ltd	27	21	29	20	2	-1
	Sanko Plastics Co., Ltd.	30	20	28	17	-2	-3
	Nishiki Trading Co., Ltd.	104	-	102	-	-2	-
	KREHALON INDUSTRIE B.V.	35	29	37	33	2	4
	Five other group companies in Europe handling food wrapping	43	28	44	30	1	2
	Consolidation adjustments	-261	-	-241	-	20	-
Total		509	-	511	-	2	-

Kureha Chemical Industry Co., Ltd.

Consolidated Companies (2)

Unit: 100 million yen

		Year ended March 31, 2003		Year ended March 31, 2004		Increase / Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other	Kureha Kosan Co., Ltd. and 2 group companies	26	70	22	62	-4	-8
	KurehaTransport Co., Ltd. and 6 group companies	122	56	123	55	1	-1
	Kureha Environmental Engineering Co., Ltd. and 1 group company	44	44	53	47	9	3
	Kureha Construction Co., Ltd. and 3 group companies	115	72	112	66	-3	-6
	Kureha Techno Eng Co., Ltd. and 1 group company	98	46	110	56	12	10
	Nishiki Trading Co., Ltd.	22	-	14	-	-8	-
	Kureha Special Laboratory Co., Ltd.	12	4	13	4	1	0
	Consolidation adjustments	-201	-	-185	-	16	-
Total		238	-	262	-	24	-
(Number of consolidated companies)		(36)		(34)		(-2)	
Consolidated Total		1,376	1,731	1,350	1,733	-26	2
Equity-method affiliates	ROHM & HAAS(SCOTLAND) LTD.	(99)		(-)		(-99)	
	RUTGERS KUREHA SOLVENTS GmbH	(21)		(21)		(0)	

Reduction of 2 consolidated companies <Others>

Two of Kureha Transport Co., Ltd. Group Companies (trading, automobile)

Financial Highlights

(Consolidated and Non-consolidated)

Units: 100 million yen

	Year ended March 31, 2003			Year ended March 31, 2004						Year ending March 31, 2005 (est.)							
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-Year Change				Consolidated	Non-consolidated	Ratio	Year-on-Year Change			
							Consolidated		Non-consolidated					Consolidated		Non-consolidated	
Net sales	1,376	840	1.6	1,350	836	1.6	-26	-1.9%	-4	-0.5%	1,400	828	1.7	50	3.7%	-8	-1.0%
Operating income	83	47	1.8	95	61	1.5	12	14.2%	14	29.6%	105	65	1.6	10	11.0%	4	6.4%
Recurring income	75	53	1.4	83	57	1.5	8	11.3%	3	6.4%	93	63	1.5	10	11.8%	6	11.1%
Net income	15	14	1.1	42	30	1.4	27	187.8%	17	122.1%	46	33	1.4	4	10.0%	3	9.9%
Total assets	1,731	1,370	1.3	1,733	1,363	1.3	2	0.1%	-7	-0.5%							
Shareholders' equity	859	835	1.0	918	881	1.0	59	6.9%	46	5.5%							
Net income per share (¥)	7.13	6.67	1.1	21.45	15.37	1.4	14.32		8.70								
Shareholders' equity per share (¥)	442.4	429.13	1.0	483.12	462.85	1.0	40.72		33.72								
Equity ratio	% 49.6	% 60.9	0.8	% 53.0	% 64.6	0.8	% 3.4		% 3.7								

Comparison of Main Indicator (Consolidated and Non-consolidated)

Units: 100 million yen

	Year ended March 31, 2003			Year ended March 31, 2004						Year ending March 31, 2005 (est.)								
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-Year Change				Consolidated	Non-consolidated	Ratio	Year-on-Year Change				
							Consolidated		Non-consolidated					Consolidated		Non-consolidated		
Capital expenditure	99	85	1.2	87	72	1.2	-13	-13.0%	-13	-14.7%	120	93	1.3	33	37.9%	21	29.2%	
Depreciation and amortisation	88	60	1.5	79	58	1.4	-9	-9.8%	-3	-4.2%	80	60	1.3	1	1.3%	2	3.4%	
R&D expenses	63	61	1.0	64	62	1.0	1	1.2%	1	2.3%	71	69	1.0	7	11.5%	7	11.5%	
Interest-bearing debt	472	329	1.4	344	228	1.5	-128	-27.2%	-101	-30.8%	334	233	1.4	-10	-2.9%	5	2.2%	
Net interest expense	-4	7	-	-2	3	-	2	46.4%	-4	-59.5%	-1	6		1	-50.0%	3	100.0%	
Exchange rate (US \$)	120.9			113.3									105.0					
Employees	4,012	1,476	2.7	3,866	1,441	2.7	-146	-3.6%	-35	-2.4%	3,813	1,376	2.8	-53	-1.4%	-65	-4.5%	

Balance Sheets

(Consolidated and Non-consolidated)

1. Assets

Units: 100 million yen

	As of March 31, 2003		As of March 31, 2004		Year-on-Year Change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	74	36	76	41	2	5
Accounts and notes receivable - trade	402	267	354	219	-48	-48
Inventories	204	130	185	121	-19	-9
Other current assets	44	97	41	77	-3	-20
Property, plant and equipment	672	459	666	464	-6	5
Intangible assets	25	23	23	22	-2	-1
Total investments and other assets	310	358	388	419	78	61
Total assets	1,731	1,370	1,733	1,363	2	-7

2 . Liabilities, minority interests and shareholders' equity

Units: 100 million yen

	As of March 31, 2003		As of March 31, 2004		Year-on-Year Change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable - trade	188	82	189	75	1	-7
Interest-bearing debt	472	329	344	228	-128	-101
Reserves	46	19	46	13	0	-6
Other liabilities	152	105	219	166	67	61
Minority interests	14		17		3	
Common stock	125	125	125	125	0	
Capital reserve	97	97	97	97	0	0
Unrealized gains on investment securities	38	36	88	84	50	48
Other retained earnings	599	577	608	575	9	-2
Total	1,731	1,370	1,733	1,363	2	-7

Analysis of Consolidated Recurring Income (Year ended March 2004)

Units: 100 million yen

		Year ended March 31, 2003		Year ended March 31, 2004		Change
Recurring income	Kureha Chemical Industry	53.3	71.3%	56.7	68.1%	3.4
	Consolidated subsidiaries	27.0	36.1%	32.6	39.2%	5.6
	Equity-Method affiliates	0.6	0.8%	0.0	0.0%	-0.6
	Consolidation adjustments	-6.1	-8.2%	-6.1	-7.3%	-0.0
	Total	74.7	100.0%	83.2	100.0%	8.5

Reasons for earnings increase / decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
Kureha Chemical Industry	Higher sales volume	23.9	Decline in technology utilization fees	-10.3	3.4
	Pricing changes	3.7	Difference in unit cost of fuel	-7.2	
	Difference in unit cost of purchased products	0.7	Increase in general and administrative expenses	-7.8	
	Decrease in manufacturing fixed costs	7.6	Difference in non-operating items	-10.6	
	Decrease in direct selling expenses	5.1	Others	-1.7	
			41.0		
Consolidated subsidiaries	Japanese resin processing business	2.4	Modifier business	-5.6	5.6
	Construction-related business	1.2	European packaging materials business	-0.0	
	PPS business	2.8			
	Environment-related business	4.1			
	Others	0.7			
			11.2		
Equity-method affiliates			RKS	-0.2	-0.6
			R&H	-0.4	
				-0.6	

Kureha Chemical Industry Co., Ltd.

Analysis of Consolidated Recurring Income (Year ending March 2005)

Units: 100 million yen

		Year ended March 31, 2004		Year ending March 31, 2005 (est.)		Difference
Recurring income	Kureha Chemical Industry	56.7	68.1%	63.0	67.7%	6.3
	Consolidated subsidiaries	32.6	39.2%	37.8	40.7%	5.2
	Equity-method affiliates	0.0	0.0%	0.0	0.0%	0.0
	Consolidated adjustments	-6.1	-7.3%	-7.8	-8.4%	-1.7
	Total	83.2	100.0%	93.0	100.0%	9.8

Reasons for earnings increases/decreases

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
Kureha Chemical Industry	Higher sales volume	14.4	Higher unit cost of fuel	-6.7	6.3
	Decrease in unit cost of purchased products	3.1	Decrease in unit sales price	-1.1	
	Decrease in cost of sales	2.2	Increase in general and	-7.2	
	Decrease in direct selling expenses	1.9	administrative expenses		
	Improvement in net financial expenses	2.7	Increase in technology/R&D expenses	-3.4	
	Foreign exchange gain	2.2	Others	-1.8	
		26.5		-20.2	
Consolidated subsidiaries	Japanese resin processing business	1.0			5.2
	PPS business	3.7			
	Others	0.5			
		5.2		0.0	

Breakdown of Extraordinary Income/Losses

Units: 100 million yen

		Year ended 31-Mar-03		Year ended March 31, 2004				Year ending March 31, 2005 (est.)			
				Amount		Year-on-Year Change		Amount		Year-on-year change	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Extraordinary Income	Income from sale of intellectual property rights	16.6	16.6	-	-	-16.6	-16.6	-	-	-	-
	Income from sales of consolidated subsidiaries' shares	11.4	13.4	-	-	-11.4	-13.4	-	-	-	-
	Income from sale of investment securities	10.9	6.9	13.9	13.8	3.0	6.9	-	-	-13.9	-13.8
	Gain on elimination/sales of fixed assets	-	-	7.8	0.1	7.8	0.1	-	-	-7.8	-0.1
	Other	4.1	0.6	0.3	0.0	-3.7	-0.6	1.0	0.0	0.7	0.0
	Total	42.9	37.4	22.0	14.0	-20.9	-23.5	1.0	0.0	-21.0	-14.0
Extraordinary Losses	Appraisal loss on investment securities	38.8	38.0	0.8	0.5	-38.0	-37.5	-	-	-0.8	-0.5
	Loss on sale of investment securities	24.1	21.1	0.1	0.1	-24.0	-21.0	-	-	-0.1	-0.1
	Loss on liquidation of subsidiary	-	0.9	-	-	-	-0.9	-	-	-	-
	Retirement benefit expense	5.3	-	5.3	-	-0.0	-	5.3	-	0.0	-
	Loss on sale of fixed assets	11.4	8.2	11.5	10.4	0.1	2.2	10.0	7.0	-1.5	-3.4
	Valuation loss on real estate for sale	-	-	2.2	-	2.2	-	-	-	-2.2	-
	Restructuring expenses	-	-	15.2	15.2	15.2	15.2	-	-	-15.2	-15.2
	Other	3.3	0.7	1.7	0.0	-1.6	-0.7	-	-	-1.7	0.0
Total	82.9	68.8	36.8	26.2	-46.1	-42.7	15.3	7.0	-21.5	-19.2	

Cash Flows

(Consolidated and Non-consolidated)

Units: 100 million yen

		Year ended March 31, 2003		Year ended March 31, 2004		Year ending March 31, 2005 (est.)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash flows from operating activities	Net income before income tax	35	22	68	44	74	56
	Depreciation	88	60	79	58	80	60
	Other-net	35	16	51	40	-33	-35
		157	99	198	142	121	86
Cash flows from investing activities		-29	-30	-36	-4	-80	-69
Cash flows from financing activities		-123	-76	-160	-133	-46	-30
Effect of exchange rate changes on cash and cash equivalents		0	0	-0	-0	-	-
Cash and cash equivalents at beginning of year		68	44	74	36	76	41
Net increase/decrease in cash and cash equivalents		5	-8	2	5	-5	-13
Cash and cash equivalents at end of year		74	36	76	41	71	28

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Consolidated Net Sales and Operating Income by Segment

Consolidated Net Sales and Operating Income

< Advanced Materials >

Units: 100 million yen

			Year ended 31-Mar-03	Year ended March 31, 2004		Year ending March 31, 2005 (est.)			
				Amount	Year-on-Year Change	Amount	Year-on-Year Change		
Consolidated net sales	Kureha Chemical Industry	Modifiers	45	23	-22	-48.9%	24	1	4.3%
		Carbon products	55	61	6	10.9%	63	2	3.3%
		Functional plastics	81	96	15	18.5%	106	10	10.4%
		Other	22	13	-9	-40.9%	16	3	23.1%
	Total	202	193	-9	-4.5%	209	16	8.3%	
	Consolidated subsidiaries	173	106	-67	-38.7%	114	8	7.5%	
	Eliminations	-58	-50	8	-	-58	-8	-	
Total			318	249	-69	-27.5%	265	16	6.4%
Consolidated operating income			40	28	-12	-30.2%	35	7	25.0%

Consolidated Net Sales and Operating Income

< Specialty Products >

Units: 100 million yen

		Year ended 31-Mar-03	Year ended March 31, 2004		Year ending March 31, 2005 (est.)			
			Amount	Year-on-Year Change	Amount	Year-on-Year Change		
Consolidated net sales	Kureha Chemical Industry	PVC plastics	39	38	-1	-2.6%	-38	-100.0%
		Industrial chemicals	86	88	2	2.3%	-2	-2.3%
		Agrochemicals	65	66	1	1.5%	-2	-3.0%
		Pharmaceuticals	81	93	12	14.8%	1	1.1%
	Total	270	285	15	5.6%	244	-41	-14.4%
	Consolidated subsidiaries	73	73	0	0.0%	79	6	8.2%
	Eliminations	-33	-30	3	-	-28	2	-
	Total	311	328	17	5.5%	295	-33	-10.1%
Consolidated operating income		15	33	18	125.6%	32	-1	-3.0%

Consolidated Net Sales and Operating Income

< Plastics >

Units: 100 million yen

		Year ended 31-Mar-03	Year ended March 31, 2004		Year ending March 31, 2005 (est.)				
			Amount	Year-on-Year Change	Amount	Year-on-Year Change			
Consolidated net sales	Kureha Chemical Industry	Food service-use packaging materials	136	126	-10	-7.4%	146	20	15.9%
		Household goods	181	196	15	8.3%	204	8	4.1%
		Fishing lines	16	11	-5	-31.3%	10	-1	-9.1%
		Other	35	25	-10	-28.6%	16	-9	-36.0%
		Total	368	358	-10	-2.7%	376	18	5.0%
	Consolidated subsidiaries	407	394	-13	-3.2%	394	0	0.0%	
	Eliminations	-262	-241	21	-	-230	11	-	
	Total	510	511	1	0.4%	540	29	5.7%	
Consolidated operating income		18	13	-5	-27.7%	17	4	30.8%	

Consolidated Net Sales and Operating Income

< Other >

Units: 100 million yen

			Year ended 31-Mar-03	Year ended March 31, 2004		Year ending March 31, 2005 (est.)			
				Amount	Year-on-year change	Amount	Year-on-year change		
Consolidated net sales	Consolidated Subsidiaries	Transport and warehousing business	122	123	1	0.8%	123	0	0.0%
		Environmental engineering business	56	66	10	17.9%	70	4	6.1%
		Construction-related business	214	222	8	3.7%	243	21	9.5%
		Trading	22	14	-8	-36.4%	24	10	71.4%
		Other	26	22	-4	-15.4%	15	-7	-31.8%
		Total	440	447	7	1.6%	475	28	6.3%
	Eliminations	-201	-185	16	-	-175	10	-	
	Total	238	262	24	10.1%	300	38	14.5%	
Consolidated operating income			12	22	10	75.5%	22	0	0.0%

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.