



Results for the Year ended March 31, 2006

May 16, 2006

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1. Major Events (April 05 – May 06)

KUREHA CORPORATION

1.Management

- Apr.05 Completed the introduction of ERP system at affiliated companies in Japan to support an efficient management decision making process and reduce the time needed to prepare earnings results
- Apr.05 Kureha's long-term preferred debt rated JCR "A"
- Aug.05 Kureha requests JFTC hearing the surcharge payment order concerning the sales of Kureha's modifier. JFTC announced the decide to commence the hearing proceedings in October
- Oct.05 Company name changed to Kureha Corporation
Corporate headquarters moved to Nihonbashi-Hamacho, Chuo-ku(Former headquarter building and land sold)
- Nov.05 Civil law suit in the US concerning modifier settled with plaintiffs for US\$5 million payment
- Feb.06 Kureha Kankyo Co. Ltd. established as a 100% subsidiary through simplified stock exchange
- Mar.06 Issued first non-collateral corporate bond (¥5 billion)
- Apr.06 Announced that year-end dividend to be raised from ¥4, as was previously forecast, to ¥5 (¥9 for full year)
- Apr.06 Upgraded utility supply facilities (to 43,000 kW power generation) and began operations
- Apr.06 Cleared US Department of Justice investigation regarding modifier without any charges being brought against Kureha

2.Advanced Materials

- Apr.05 Production capacity at PPS plant in Iwaki factory raised to 7500t/year
- Oct.05 Fortron Industries, Kureha's US joint venture released an increasing in production capacity to 15000t/year to meet increase in demand by first half of 2007
- Oct.05 Acquired stake in Elmec Electronics Industries to strengthen relationship between the two firms outsourced production and application development of PVDF Piezo electric films and optical products.

KUREHA

Major Events (April 05 – May 06)

KUREHA CORPORATION

- Dec.05 Raised production capacity at Iwaki factory's PVDF plant to 2,500 t/year
- Dec.05 Raised production capacity at US Fortron Industries' PPS plant to 8,600 t/year
- Jan.06 Kreha Corporation of America and Kureha KPS, Inc. merged to create Kureha America, Inc.
- Jan.06 Acquired TTSM, which manufactures and markets carbon textile insulation in the U.S.
- Apr.06 Raised production capacity at Iwaki factory's PPS plant to 10,000 t/year

3 . Specialty Chemicals

- Jun.05 Announced price revision of caustic soda
- Sep.05 Announced price revision of liquid chlorine
- Dec.05 Announced price revision for hydrochloric acid
- Jan.06 Announced the transfer of development rights for "Kremezin" in the U.S. and Europe to OCERA (Domain Associates group company) for stomach and liver disease applications
- Apr.06 Announced price revision to sodium hydroxide (caustic soda)

4 . Specialty Plastics

- Apr.05 Sales operations of multilayered packaging film "Pairflex FA" transferred to Kureha Extech Co., Ltd.
- Sep.05 Sold stakes in European packaging materials producer "KREHALON SYNCLAIR PACKAGING B.V."
- Sep.05 Opened Nantong SKT New Materials Co., Ltd. The company began producing PVDC in October
- Nov.05 Announced price revision of food packaging materials
- Mar.06 Updated "New Krewrap" for the third consecutive year, featuring new functions such as an easy-cuttool

5 . Other Operations

- Apr.05 Completed construction of and began operating cooler storage facility for medical waste at Kureha Kankyo Co., Ltd.

KUREHA

2. Consolidated Companies

KUREHA CORPORATION

(Unit : 100 million yen)

		FY2005		FY2006		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
KUREHA CORPORATION		802	1,370	818	1,476	16	106
Nishiki Trading Co., Ltd.(and one group company)		285	123	294	128	9	5
Advanced Materials	KUREHA CORPORATION	204	-	232	-	28	-
	Nishiki Trading Co., Ltd.(plus one group company)	76	-	84	-	7	-
	Kureha GmbH	10	7	18	8	8	1
	Kureha America Inc. (1)	11	5	12	9	1	4
	Kureha KPS, Inc. (1)	8	29	13	36	5	7
	Kureha Chemicals Shanghai Co., Ltd.	4	7	7	8	4	-
	Kakogawa Plastics Co., Ltd. (2)	-	-	29	21	-	-
	Consolidation adjustments	-61	-	-79	-	-18	-
Total		253	-	316	-	64	-
Specialty Chemicals	KUREHA CORPORATION	262	-	263	-	1	-
	Nishiki Trading Co., Ltd.	80	-	81	-	1	-
	Consolidation adjustments	-32	-	-31	-	1	-
Total		310	-	313	-	3	-
Specialty Plastics	KUREHA CORPORATION	336	-	323	-	-13	-
	Nishiki Trading Co., Ltd.	113	-	109	-	-4	-
	Kureha Gosen Co., Ltd.	31	25	31	26	0	1
	Kureha Plastics Co., Ltd.	120	70	122	72	2	2
	Kakogawa Plastics Co., Ltd. (2)	33	21	-	-	-	-
	Kureha Extech Co., Ltd.	26	17	27	17	2	0
	Krehalon Industrie B.V.	41	37	43	40	1	3
	Five other group companies in Europe handling food packaging (3)	46	34	40	23	-6	-11
Consolidation adjustments	-239	-	-243	-	-4	-	
Total		507	-	453	-	-21	-

KUREHA

Consolidated Companies

KUREHA CORPORATION

(Unit : 100 million yen)

		FY2004		FY2005		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other Operations	Kureha Ecology Management Co., Ltd.(and 1 group company)	57	48	63	51	6	3
	Kureha Special Laboratory Co., Ltd.	13	5	13	5	0	0
	Kureha Engineering Co., Ltd.	116	48	128	71	12	23
	Kureha Construction Co., Ltd and 3 group companies	108	59	124	61	16	2
	Kureha Unyu Co., Ltd. and 6 group companies	123	58	124	63	0	5
	Nishiki Trading Co., Ltd.	16	-	20	-	4	-
	Kureha Service Co., Ltd and 1 group compaies (05/03 2 companies)	14	64	13	73	-1	9
	Consolidation adjustments	-212	-	-209	-	3	-
Total		235	-	275	-	40	-
(Number of consolidated companies)		(35)		(33)			
Consolidated Total		1,304	1,727	1,356	1,852	52	125
Equity-method affiliates	Rutgers Kureha Solvents	24		12			
	Nantong SKT New Material Co., Ltd.						

(1) Kureha Corporation of America was merged with Kureha KPS, Inc. and renamed Kureha America Inc. as of January 1, 2006

(2) For the fiscal year ending March 2006, the subsidiary Kakogawa Plastics Co., Ltd., has been transferred from the Specialty Plastics division to the Advanced Materials division

(3) Krehalon Synclair Packaging B.V. was sold in September 2005

(4) Changes to subsidiary names:

April 1, 2005 Sanko Plastics Co., Ltd. became Kureha Extech Co., Ltd.

October 1, 2005 Kureha Plastics Co., Ltd., Kureha Gosen Co., Ltd. and Kureha Service Co., Ltd. (changes to Japanese name only)

October 1, 2005 Kureha Techno Eng Co., Ltd. became Kureha Engineering Co., Ltd.

December 1, 2005 Kureha Chemicals GmbH became Kureha GmbH

April 1, 2006 Kureha Transport Co., Ltd. became Kureha Unyu Co., Ltd.

April 1, 2006 Kureha Kankyo Co., Ltd. became Kureha Environmental Engineering Co., Ltd.

* Following the changes outlined in points 1-3, the total number of subsidiaries as of April 1, 2006 was 32

KUREHA

3. Fiscal 2005 Results and Fiscal 2006 Forecasts

Financial Highlights

KUREHA CORPORATION

(Unit : 100 million yen)

	FY2004			FY2005						FY2006(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	1,304	802	1.6	1,356	818	1.7	52	4%	16	2%	(630)	(385)	1.7	64	4.7%	22	2.7%
Operating income	103	62	1.7	97	59	1.6	-5	-5%	-2	-4%	(30)	(18)	1.8	23	23.6%	9	15.1%
Recurring income	97	64	1.5	92	61	1.5	-5	-5%	-3	-5%	(30)	(20)	1.6	23	25.2%	9	14.4%
Net income	45	32	1.4	52	37	1.4	7	15%	6	18%	(10)	(6)	1.5	5	10.5%	1	1.5%
Total assets	1,727	1,370	1.3	1,852	1,476	1.3	125	7%	106	8%	*Forecasted operating profits of ¥12 billion are drawn from a combined profit forecast of ¥12.3 billion from all divisions, minus ¥0.3 billion in consolidated cancellations.						
Shareholders' equity	931	879	1.1	984	912	1.1	53	6%	33	4%							
Net income per share(yen)	yen 23.41	yen 16.52	1.4	yen 27.61	yen 19.94	1.4	yen 4.20	18%	yen 3.42	21%	*()Estimates for first-half results						
Shareholders' equity per share(yen)	yen 500.56	yen 469.43	1.1	yen 535.26	yen 492.03	1.1	yen 34.7	7%	yen 22.6	5%							
Equity ratio	% 53.9	% 64.2	0.8	% 53.1	% 61.8	0.9	% -0.8		% -2.4								

KUREHA

Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2004			FY2005								FY2006(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	120	91	1.3	120	109	1.1	0	0%	17	19%	130	110	1.2	10	8%	1	1%	
Depreciation	76	58	1.3	79	62	1.3	3	3%	4	6%	89	71	1.3	10	13%	10	16%	
R&D expenses	65	62	1.0	74	71	1.0	9	15%	9	14%	70	68	1.0	-4	-5%	-3	-4%	
Interest-bearing debt	349	238	1.5	354	254	1.4	5	2%	16	7%	331	243	1.4	-23	-6%	-11	-4%	
Net interest expense	0	9	-	1	10	-	2	-	2	20%	1	10	0.1	0	0%	0	0%	
Exchange rate(US\$)	107.7			113.1			5.4				115.0			1.9				
Employees	3,793	1,386	2.7	3,746	1,349	2.8	-47	-1%	-37	-2%	3,744	1,303	2.9	-2	0%	-46	-3%	

KUREHA

1.Assets

(Unit: 100 million yen)

	As of March 31, 2005		As of March 31, 2006		Year-on-year change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	60	34	65	46	5	11
Accounts and notes receivable - trade	320	197	340	200	19	2
Inventories	187	128	204	141	17	13
Other current assets	48	79	58	78	10	-2
Property, plant and equipment	693	487	709	521	16	34
Intangible assets	21	19	18	15	-3	-5
Total investments and other assets	398	425	458	477	60	52
Total assets	1,727	1,370	1,852	1,476	125	106

2. Liabilities, minority interests and shareholders' equity

(Unit: 100 million yen)

	As of March 31, 2005		As of March 31, 2006		Year-on-year change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable - trade	168	71	194	89	26	18
Interest-bearing debt	349	238	354	254	5	16
Reserve	52	13	55	19	2	6
Other Liabilities	220	169	253	202	33	33
Minority interests	8		12		4	
Common stock	125	125	125	125	0	0
Capital reserve	97	97	98	102	1	5
Unrealized gains on investment securities	96	85	119	103	24	17
Other retained earnings	613	572	641	583	28	11
Total	1,727	1,370	1,852	1,476	125	106

Analysis of Recurring Income

KUREHA CORPORATION

(Unit : 100 million yen)

		FY2004		FY2005		Change
Recurring income	KUREHA	64.3	66%	61.2	67%	-3.1
	Consolidated subsidiaries	42.1	43%	43.6	47%	1.5
	Equity-method affiliates	0.0	0%	0.1	0%	0.1
	Consolidation adjustments	-9.3	-10%	-13.0	-14%	-3.7
	Total	97.1	100%	91.9	100%	-5.2

Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
KUREHA	Increased unit price	17.8	Decreased sales volume	-0.2	
	Reduced Fixed Production Costs	4.9	Increased unit price of raw materials	-11.6	
	Increased License Revenue	4.4	Increased unit price of purchased products	-1.8	
	Reduced Direct Marketing Costs	2.2	Differing inventory levels	-7.9	
	Improved Financial Balance	2.2	Increased SG&A	-8.0	
			Increased R&D	-2.3	
			Others	-2.8	
		31.4		-34.5	-3.1
Consolidated subsidiaries	PPS business	4.6	Processing business in Japan	-2.1	
	Environment related business	1.6	Packaging business in Europe	-3.5	
	Other domestic subsidiaries	1.7	Transport and warehousing business	-1.6	
	Other foreign subsidiaries	0.8			
			8.7		

KUREHA

Analysis of Recurring Income

KUREHA CORPORATION

(Unit : 100 million yen)

		FY2005		FY2006(est.)		Change
Recurring income	KUREHA	61.2	67%	70.0	61%	8.8
	Consolidated subsidiaries	43.6	47%	52.7	46%	9.1
	Equity-method affiliates	0.1	0%	1.3	1%	1.2
	Consolidation adjustments	-13.0	-14%	-9.0	-8%	4.0
	Total	91.9	100%	115.0	100%	23.1

Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
KUREHA	Increased sales volume	12.1	Increased unit price of raw materials	-6.0	8.8
	Increased unit price	10.7	Increased fixed costs	-17.7	
	Increased license revenue	1.6	Increased SG&A	-0.4	
	Decline in fuel costs for power generation	7.9	Other	-1.6	
	Decline in unit price of purchased products	0.4	Foreign exchange losses	-0.9	
	Decline in direct marketing costs	1.8	Non-operating revenue losses and others	-0.9	
	Improved financial balance	1.7			
			36.2	-27.4	
Consolidated subsidiaries	PPS business	4.6	Others	-2.0	9.1
	Processing business in Japan	2.3			
	Packaging business in Europe	2.8			
	Construction related business	1.4			
			11.1	-2.0	

KUREHA

Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit : 100 million yen)

		FY2004		FY2005				FY2006(est.)			
				Amount		Increase/Decrease		Amount		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary income	Income from sales of investment securities	14.5	14.5	16.9	12.5	2.4	-2.0	-	-	-16.9	-12.5
	Gain on elimination/sales of fixed assets	1.4	-	11.1	14.0	9.7	14.0	-	-	-11.1	-14.0
	Others	0.3	-	0.8	0.5	0.5	0.5	-	-	-0.8	-0.5
	Total	16.2	14.5	28.9	27.1	12.7	12.6	0.0	0.0	-28.9	-27.1
Extraordinary losses	Appraisal loss on investment securities	1.7	1.6	0.0	0.0	1.7	1.6	-	-	0.0	0.0
	Loss on sale of investment securities	0.0	0.1	0.3	0.3	-0.3	-0.3	-	-	0.3	0.3
	Retirement benefit expense	4.5	-	-	-	4.5	-	-	-	-	-
	Loss on elimination/sale of fixed assets	22.3	19.9	17.2	15.4	5.1	4.5	17.0	12.0	0.2	3.4
	Appraisal loss on fixed assets	-	-	6.6	3.6	-6.6	-3.6	-	-	6.6	3.6
	Appraisal loss on inventories	1.2	1.2	-	-	1.2	1.2	-	-	-	-
	Valuation loss on real estate for sale	1.2	-	-	-	1.2	-	-	-	-3.0	-
	Restructuring expenses	-	-	5.7	5.7	-5.7	-5.7	-	-	5.7	5.7
Others	1.9	0.7	12.7	7.6	-10.8	-6.8	5.0	-	7.7	7.6	
Total	32.8	23.4	42.5	32.6	-9.7	-9.2	22.0	12.0	20.5	20.6	

(Unit : 100 million yen)

		FY2004		FY2005		FY2006(est.)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	157	113	157	117	182	129
	Increase/Decrease in assets and liabilities	6	7	11	8	-16	-16
	Payments of corporation tax	-41	-27	-41	-21	-40	-21
	Other-net	2	-1	-15	-5	16	15
		124	91	113	99	142	107
Cashflow from investing activities		-96	-67	-96	-69	-96	-80
Cashflow from financing activities		-41	-31	-11	-19	-49	-48
Effect of exchange rate changes on cash and cash equivalent		0	0	0	0	-	-
Increase in cash and cash equivalents upon change of fiscal year-end of consolidated subsidiaries		-4	-	0	-	-	-
Cash and cash equivalents at beginning of year		76	41	60	34	65	46
Net increase/decrease in cash and cash equivalents		-16	-6	5	11	-3	-21
Cash and cash equivalents at end of year		60	34	65	46	62	25

4. Consolidated Net Sales and Operating Income by Segment

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Advanced Materials >

(Unit: 100 million yen)

			FY2004	FY2005			FY2006(est.)		
				Amount	Increase/Decrease		Amount	Increase/Decrease	
Consolidated net sales	KUREHA	Carbon products	71	77	6	9%	66	-11	-14%
		Advanced plastics	98	118	20	20%	148	30	26%
		Others	35	37	2	5%	42	5	13%
	Total		204	232	28	13%	256	24	10%
	Consolidated subsidiaries		109	163	53	49%	180	17	11%
	Eliminations		-62	-79	-17	-	-86	-7	-
Total			252	316	64	26%	350	34	11%
Consolidated operating income			32	39	7	23%	45	6	15%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Chemicals >

(Unit : 100 million yen)

			FY2004	FY2005		FY2006(est.)			
				Amount	Increase/Decrease	Amount	Increase/Decrease		
Consolidated net sales	KUREHA	Industrial chemicals	93	97	4	4%	94	-3	-3%
		Agrochemicals	73	73	0	0%	71	-2	-3%
		Pharmaceuticals	95	93	-3	-3%	91	-2	-2%
		Total	262	263	1	1%	256	-7	-3%
	Consolidated subsidiaries	80	81	1	1%	83	2	2%	
	Eliminations	-32	-31	1	-	-29	2	-	
Total			310	313	3	1%	310	-3	-1%
Consolidated operating income			41	35	-6	-14%	35	0	0%

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Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Plastics >

(Unit : 100 million yen)

		FY2004	FY2005		FY2006(est.)				
			Amount	Increase/Decrease	Amount	Increase/Decrease			
Consolidated net sales	KUREHA	Food packaging materials	118	104	-13	-11%	105	1	1%
		Household products	192	193	1	0%	200	7	4%
		Fishing lines	10	14	3	34%	15	1	10%
		Others	16	12	-4	-24%	8	-4	-34%
		Total	336	323	-13	-4%	328	5	2%
	Consolidated subsidiaries	410	373	-37	-9%	378	5	1%	
	Eliminations	-239	-243	-4	-	-241	2	-	
Total		507	453	-55	-11%	465	12	3%	
Consolidated net income		9	6	-3	-30%	22	16	262%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Other Operations >

(Unit : 100 million yen)

		FY2004	FY2005		FY2006(est.)			
			Amount	Increase/Decrease	Amount	Increase/Decrease		
Consolidated net sales	Environmental engineering business	70	76	6	9%	79	3	4%
	Construction-related business	224	252	28	13%	260	8	3%
	Transport and warehousing business	123	124	0	0%	124	0	0%
	Trading	16	20	4	28%	20	0	1%
	Others	14	13	-2	-11%	12	-1	-6%
	Total	447	484	37	8%	495	11	2%
	Eliminations	-211	-209	2	-	-200	9	-
	Total	235	275	40	17%	295	20	7%
Consolidated operating income		22	21	-1	-3%	21	0	0%

KUREHA

- These materials are supplied to provide a deeper understanding of our company, and are not intended as a solicitation for investment or other actions
- These materials were prepared by our company based on the information available at this point in time, however actual performance may produce results that differ from the plan, due to a variety of factors
- Please utilize these materials using your own judgment and responsibility