



Results for the Year ended March 31, 2007

May 16, 2007

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1. Major Events (April 06 – May 07)

KUREHA CORPORATION

1. General

- Apr. 06 Upgraded utility supply facility and launched new power plant (generating 43,000KW of power)
- Apr. 06 Completed modifier inspection by US Legal Department
- Feb. 07 Announced plans to reform management system, including the introduction of outside directors and a executive officer system, and plans to reform of compensation system for board members. Announced the appointment of new CEO and board members
- Mar. 07 Announced the introduction of basic guidelines on company control and measures against large lot share purchases
- Mar. 07 Completed share buybacks (a total of 1,500,000 shares) planned for fiscal 2006. Retired a total of 3,800,000 shares of own stock. Outstanding shares after retirement totaled 186,733,909
- Apr. 07 Introduced Corporate Officer system. New management team officially appointed, led by Hiroshi Tanaka as Chairman of the Board of Directors and Takao Iwasaki as President & Chief Executive Officer
- Apr. 07 Announced increase to year-end dividend from the original projection of 4.5 yen per share to 5.5 yen per share, with annual dividend per share to reach 10 yen.

2. Advanced Materials

- Apr. 06 Raised production capacity at PPS plant at the Iwaki factory to 10,000t/year
- Sep. 06 Outbreak of fire at the PPS plant at the Iwaki factory early on the morning of September 7. Production resumed from October 19
- Dec. 06 Completed construction measures necessary to raise production capacity of carbon textile materials at Iwaki factory (to 1,100t/year)

KUREHA

1. Major Events (April 06 – May 07)

KUREHA CORPORATION

3. Specialty Chemicals

- Apr. 06 Announced price revision of caustic soda
- Apr. 06 Agreed license contract with Conmed (Taiwan) on development rights for kidney disease application of “Kremezin” in Taiwan
- Oct. 06 Announced price revision of liquefied chlorine
- Nov. 06 Agreed license contract with Mitsubishi Pharma Corporation on development rights for kidney disease application of “Kremezin” in the U.S. and Europe
- Nov. 06 Completed registration of “Metconazole” as wheat fungicide in Japan. Hokko Chemical began sale of product in December 2006.
- Jan. 07 Awarded exclusive global sales rights to seed disinfectant “Ipconazole” to Chemtura Corporation (U.S.). Deal excludes some Asian regions
- Feb. 07 Filed patent infringement lawsuit against companies manufacturing and distributing “Merckmezin” (a generic drug of “Kremezin”) and “Kyucal”

4. Specialty Plastics

- Aug. 06 Launched new products; Kureha Rubbermaid container S-type and SS-type
- Aug. 06 Established Kureha Shanghai Trading Co. Ltd. and began full-scale business for household goods in China
- Oct. 06 “New Krewrap” presented with 2006 good design award
- Oct. 06 Announced price revision for commercial-use packaging materials
- Dec. 06 Water supply polyethylene pipe business of Kureha Extech sold to Inoac Corporation
- Feb. 07 Began sales of upgraded “Seaguar series” of fishing line products, following first product renewal in twenty-four years
- Mar. 07 Launched upgraded versions of household products; “New Krewrap”, freezer bag and stock bag

5. Other Operations

- Aug. 06 Acquired stake in Nishiki Kogyo with the purpose of creating Kureha subsidiary
- Oct. 06 Kureha Construction Co. Ltd. and Nishiki Kogyo merged and renamed Kurehanishiki Construction 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		818	1,476	852	1,534	34	58
Nishiki Trading Co., Ltd. and one group company		294	128	299	129	5	1
Advanced Materials	Kureha Corporation	232	-	255	-	23	-
	Nishiki Trading Co., Ltd. and one group company	84	-	90	-	6	-
	Kureha GmbH	18	8	23	11	5	3
	Kureha America Inc. -1	12	9	31	50	19	41
	Kureha KPS, INC. -1	13	36	-	-	-13	-36
	Kureha Shanghai Trading Co., Ltd.	7	8	7	8	1	0
	Kakogawa Plastics Co., Ltd.	29	21	34	22	5	1
	Kureha Advanced Materials Inc. -2	-	-	2	4	-2	-4
Consolidation adjustments		-79	-	-91	-	-13	-
Total		316	-	351	-	36	-
Specialty Chemicals	Kureha Corporation	263	-	254	-	-9	-
	Nishiki Trading Co., Ltd. and one group company	81	-	82	-	0	-
	Consolidation adjustments	-31	-	-31	-	1	-
Total		313	-	305	-	-8	-
Specialty Plastics	Kureha Corporation	323	-	343	-	19	-
	Nishiki Trading Co., Ltd.	109	-	108	-	-1	-
	Kureha Gosen Co., Ltd.	31	26	35	29	4	3
	Kureha Plastics Co., Ltd.	122	72	125	70	2	-2
	Kureha Extech Co., Ltd.	27	17	28	20	1	3
	Krehalon Industrie B.V.	43	40	53	45	10	5
	Five other group companies in Europe handling food packaging	40	23	39	25	-1	2
	Consolidation adjustments	-243	-	-247	-	-4	-
Total		453	-	484	-	31	-

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
Other Operations	Kureha Ecology Management Co., Ltd.	47	47	47	47	-0	-1
	Kureha Special Laboratory Co., Ltd.	13	5	14	7	1	2
	Kureha Engineering Co., Ltd. and 2 group companies	128	71	141	85	13	14
	Kurehanishiki Construction Co., Ltd. and 3 group companies -3	124	61	158	89	35	28
	Kureha Unyu Co., Ltd. And 6 group companies	124	63	126	69	2	6
	Nishiki Trading Co., Ltd.	20	-	20	-	-0	-
	Kureha Service Co., Ltd. and one group company	13	73	12	63	-0	-10
	Kureha Staff Service Co., Ltd. -4	16	4	20	5	4	2
Consolidation Adjustments		-209	-	-215	-	-6	-
Total		275	-	322	-	47	-
(Number of consolidated companies)		(33)		(33)			
Consolidated Total		1,356	1,852	1,463	1,961	106	109
Equity-method affiliates	Rutgers Kureha Solvents GmbH	22		30			
	Nangtong SKT New Material Co., Ltd.	-		28			

-1 Kureha KPS, Inc. was merged with Kureha America Inc. as of January 1, 2006.

-2 Kureha Advanced Materials Inc. consolidated as of FY2007.

-3 Kureha Construction Co., Ltd. was merged with Nishiki Kyogyo Co., Ltd. and renamed Kurehanishiki Construction Co., Ltd. as of October 3, 2006.

-4 Kureha Staff Service Co., Ltd. changed their Japanese name.

It previously recorded as a group company of Kureha Environmental Engineering, but as mid-term FY2007 individual data is provided.

The number of consolidated companies : 33

KUREHA

3. Fiscal 2006 Results and Fiscal 2007 Forecasts

Financial Highlights

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005			FY2006						FY2007(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				Consolidated	Non-consolidated		
Net sales	1,356	818	1.7	1,463	852	1.7	106	8%	34	4%	(650)	(400)	1.8	87	6.0%	28	3.3%
Operating income	97	59	1.6	118	68	1.8	21	22%	9	14%	(28)	(16)	1.8	17	14.0%	7	10.9%
Recurring income	92	61	1.5	117	73	1.6	25	27%	12	19%	(26)	(20)	1.6	13	11.3%	7	9.6%
Net income	52	37	1.4	58	39	1.5	7	13%	2	5%	(10)	(8)	1.5	2	2.9%	1	2.2%
Total assets	1,852	1,476	1.3	1,961	1,534	1.3	109	6%	58	4%	*()Estimates for first-half results						
Shareholders' equity	984	912	1.1	1,073	963	1.1	90	9%	51	6%							
Net income per share	yen 27.61	yen 19.94	1.4	yen 31.58	yen 21.18	1.5	yen 3.97	14%	yen 1.24	6%							
Shareholders' equity per share(yen)	yen 535.26	yen 492.03	1.1	yen 578.09	yen 523.99	1.1	yen 42.83	8%	yen 31.96	6%							
Equity ratio	% 53.1	% 61.8	0.9	% 54.2	% 62.7	0.9	% 1.1	-	% 0.9	-							

KUREHA

Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005			FY2006						FY2007							
	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	109	1.1	107	79	1.4	-13	-11%	-30	-27%	115	87	1.3	8	8%	8	10%
Depreciation	79	62	1.3	91	73	1.2	12	15%	11	19%	105	81	1.3	14	15%	7	10%
R&D expenses	74	71	1.0	69	65	1.1	-5	-7%	-6	-8%	75	70	1.1	6	9%	5	8%
Interest-bearing debt	354	254	1.4	325	229	1.4	-29	-8%	-25	-10%	313	223	1.4	-12	-4%	-6	-3%
Net interest expense	1	10	-	0	12	-	-1	-	2	21%	-1	13	-	-1	-317%	1	5%
Exchange rate(US\$)	113.1			117.1			4.0		4%		115.0			-2.1		-2%	
Employees	3,746	1,349	2.8	3,749	1,303	2.9	3	0%	-46	-2%	3,733	1,279	2.9	-16	0%	-24	-2%

KUREHA

Balance Sheets

KUREHA CORPORATION

1. Assets

(Unit: 100 million yen)

	As of March 31, 2006		As of March 31, 2007		Year-on-year change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	65	46	43	25	-23	-21
Accounts and notes receivable - trade	340	200	379	212	40	13
Inventories	204	141	209	135	5	-6
Other current assets	58	78	60	83	2	6
Property, plant and equipment	709	521	720	515	11	-5
Intangible assets	18	15	13	10	-5	-5
Total investments and other assets	458	477	537	554	79	77
Total	1,852	1,476	1,961	1,534	109	58

2. Liabilities and shareholders' equity

(Unit: 100 million yen)

	As of March 31, 2006		As of March 31, 2007		Year-on-year change	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable - trade	194	89	225	87	31	-2
Interest-bearing debt	354	254	325	229	-29	-25
Reserve	55	19	54	15	-1	-4
Other liabilities	253	202	284	241	31	39
Common stock	125	125	125	125	0	0
Capital reserve	98	102	100	102	2	-0
Unrealized gains on investment securities	119	103	155	140	36	38
Other retained earnings	641	583	682	596	41	13
Minority interests	12		12		-1	
Total	1,852	1,476	1,961	1,534	109	58

*As of end of March 2006, Minority interests recorded under Shareholders' equity.

KUREHA

Analysis of Recurring Income

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005		FY2006		Change
Recurring income	Kureha	61.2	67%	73.0	62%	11.8
	Consolidated subsidiaries	43.6	47%	53.7	46%	10.1
	Equity-method affiliates	0.1	0%	2.2	2%	2.1
	Consolidation adjustments	-13.0	-14%	-12.0	-10%	1.0
	Total	91.9	100%	116.8	100%	25.0

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased unit sales price	20	Increased unit price of raw materials	-10	11.8
	Power generation costs reduced	13	Increased unit price of purchased products	-3	
	Increased license revenue	3	Increased manufacturing fixed costs	-10	
	Decreased R&D	6	Increased general and administrative costs	-3	
	Improved financial balance	2	Differing inventories levels	-8	
	Others	2	Loss on foreign exchange	-1	
			47	-35	
Consolidated subsidiaries	Overseas advanced materials business	4	Domestic packaging materials business	-0	10.1
	Domestic advanced materials business	2	Environmental engineering business	-3	
	European packaging materials business	5	Transport and warehousing business	-1	
	Constuction-related business	2			
	Others	2			
			14	-4	

KUREHA

Analysis of Recurring Income

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005		FY2006		Change
Recurring income	Kureha	73.0	62%	80.0	62%	7.0
	Consolidated subsidiaries	53.7	46%	59.0	45%	5.3
	Equity-method affiliates	2.2	2%	2.2	2%	0.0
	Consolidation adjustments	-12.0	-10%	-11.2	-9%	0.8
	Total	116.8	100%	130.0	100%	13.2

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased sales volume	19	Decreased licence revenue	-3	
	Increased unit sales price	5	Increased unit price of raw materials	-10	
	Decreased unit price of raw materials	7	Increased manufacturing fixed costs	-6	
	Differing inventories levels	4	Increased direct marketing costs	-3	
	Imprived financial balance	1	Increased R&D	-5	
			Increased general and administrative costs	-2	
		36	-29	7.0	
Consolidated subsidiaries	Overseas advanced materials business	4	Domestic advanced materials business	-1	
	Specialty chemicals business	1	Specialty plastics business in China	-1	
	Domestic specialty plastics business	1	Others	-3	
	European packaging materials business	1			
	Environmental engineering business	2			
	Construction-related business	1			
		11	-5	5.3	

KUREHA

Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005		FY2006				FY20077(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	16.0	12.5	11.5	6.2	-4.5	-6.3	5.0	5.0	-6.5	-1.2
	Gain on sales of fixed assets	11.1	14.0	5.9	1.3	-5.2	14.0	-	-	-5.9	-1.3
	Others	1.7	0.5	5.4	3.2	3.6	0.5	-	-	-5.4	-3.2
	Total	28.9	27.1	22.7	10.7	-6.2	-16.4	5.0	5.0	-17.7	-5.7
Extraordinary losses	Loss on elimination/sale of fixed assets	17.2	15.4	20.7	18.8	-3.5	-3.4	17.0	15.0	-3.7	-3.8
	Appraisal loss on inventories	-	-	10.4	9.3	10.4	9.3	-	-	-10.4	-9.3
	Retirement benefit expense	-	-	4.3	-	4.3	-	-	-	-4.3	-
	Other appraisal losses	6.6	3.6	0.2	-	-6.4	-3.6	-	-	-0.2	-
	Restructuring expenses	13.0	5.7	-	-	-13.0	-5.7	-	-	-	-
	Residual value for fixed assets with 5-year depreciation remaining	-	-	-	-	-	-	9.5	6.0	9.5	6.0
	Others	12.7	7.9	8.8	3.5	3.8	4.4	6.5	3.0	-2.3	-0.5
Total	49.4	32.6	44.5	31.6	4.9	1.0	33.0	24.0	-11.5	-7.6	

KUREHA

Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005		FY2006		FY2007(est.)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	157	117	186	125	207	142
	Increase/decrease in assets and liabilities	11	8	3	-6	-13	-23
	Payments of corporation tax	-41	-21	-41	-19	-38	-17
	Other-net	-15	-5	-9	8	8	18
		113	99	139	109	164	119
Cashflow from investing activities		-96	-69	-120	-79	-117	-85
Cashflow from financing activities		-11	-19	-48	-51	-39	-32
Effect of exchange rate changes on cash and cash equivalents		0	0	0	0	-	-
Increase in cash and cash equivalents following merger		-	-	6	-	-	-
Decrease in cash and cash equivalents upon change of fiscal year-end of consolidated subsidiaries		0	-	-	-	-	-
Net increase/decrease in cash and cash equivalents		5	11	-23	-21	7	1
Cash and cash equivalents at beginning of year		60	34	65	46	43	25
Cash and cash equivalents at end of year		65	46	43	25	50	26

KUREHA

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)

		FY2005	FY2006		FY2007(est.)				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Carbon products	77	73	-4	-5%	69	-4	-5%
		Advanced plastics	118	141	24	20%	162	21	15%
		Others	37	41	4	10%	44	3	8%
		Total	232	255	23	10%	275	20	8%
	Consolidated subsidiaries	163	188	25	15%	198	10	5%	
	Eliminations	-79	-91	-13	-	-98	-7	-	
Total		316	351	36	11%	375	24	7%	
Consolidated operating income		39	43	3	9%	49	6	15%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Chemicals >

(Unit: 100 million yen)

		FY2005	FY2006		FY2007(est.)				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Industrial chemicals	97	101	3	4%	102	1	1%
		Agrochemicals	73	68	-5	-7%	62	-6	-9%
		Pharmaceuticals	93	86	-7	-7%	86	0	0%
		Total	263	254	-9	-3%	250	-4	-2%
		Consolidated subsidiaries	81	82	0	1%	82	0	0%
		Eliminations	-31	-31	1	-	-37	-6	-
	Total	313	305	-8	-2%	295	-10	-3%	
Consolidated operating income		35	33	-1	-4%	29	-4	-13%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Plastics >

(Unit: 100 million yen)

		FY2005	FY2006		FY2007(est.)				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Food packaging materials	104	109	4	4%	111	2	2%
		Household products	193	204	11	6%	216	12	6%
		Fishing lines	14	16	3	21%	18	2	9%
		Others	12	13	1	10%	10	-3	-24%
	Total	323	343	19	6%	355	13	4%	
	Consolidated subsidiaries	373	389	16	4%	390	1	0%	
	Eliminations	-243	-247	-4	-	-245	2	-	
Total		453	484	31	7%	500	16	3%	
Consolidated net income		6	22	16	265%	35	13	58%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Other Operations >

(Unit: 100 million yen)

		FY2005	FY2006		FY2007(est.)			
			Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Environmental engineering business	60	61	0	0%	64	3	6%
	Construction-related business	252	299	47	19%	344	45	15%
	Transport and warehousing business	124	126	2	2%	130	4	3%
	Trading	20	20	-0	-1%	20	0	2%
	Others	29	32	4	13%	27	-5	-16%
	Total	484	537	53	11%	585	48	9%
	Eliminations	-209	-215	-6	-	-205	10	-
	Total	275	322	47	17%	380	58	18%
Consolidated operating income		21	23	2	9%	25	2	9%

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