



# Interim Results for the Financial Year Ending March 31, 2008

November 15, 2007

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KUREHA CORPORATION

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# 1. Major Events (April – November 2007)

KUREHA CORPORATION

## **1. General**

- 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
- May 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
- Jun. 07 Passed resolution at Annual General Meeting on issuance of stock acquisition rights for the purpose of granting stock options under the Company's compensation plan (Note: the issuance of stock acquisition rights took place in Jul.)
- Jun. 07 Passed resolution at Annual General Meeting on re-introduction of measures against large lot share purchases
- Jul. 07 Placed limit on share buybacks in the period up to the end of March 2008. The upper limit is equal to a total of 1.5 million shares or JPY 1.05 billion (Note: the number of shares re-purchased as of 16 Oct. 07 was 1 million, equal to JPY 534 million)
- Jul. 07 Sold stake in Rutgers Kureha Solvents GmbH

## **2. Advanced Materials**

- Oct. 07 Completed construction measures necessary to raise production capacity at Fortron Industries' PPS plant from 8,600t/year to 15,000t/year.

## **3. Specialty Chemicals**

- Jul. 07 PCBs detected in industrial chemical, Trichlorobenzene, in Jul. 07 leading to temporary suspension of shipments. Following a detailed investigation and the introduction of necessary measures, shipments resumed in Aug.
- Aug. 07 Mitsubishi Pharma Corporation begins Phase III clinical trials for "Kremezin" as a kidney disease application in the U.S.

## **4. Specialty Plastics**

- Jun. 07 Voluntary recall of some "Seaguar series" fishing line products due to non-critical material defect
- Jul. 07 "New Krewrap" wins "Food Packaging Material Award" at the Japan Packaging Contest
- Sep. 07 Launched upgraded version of "Kichinto-San series" cooking paper
- Oct. 07 "New Krewrap" presented with 2006 Good Design Award

**KUREHA**

## 2. Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2006 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Kureha Corporation</b>		432	1,480	394	1,499	38	-19
<b>Nishiki Trading Co., Ltd. (plus 1 group company)</b>		158	133	154	136	4	-3
Advanced Materials	Kureha Corporation	136	-	119	-	16	-
	Nishiki Trading Co., Ltd. (plus 1 group company)	51	-	47	-	5	-
	Kakogawa Plastics Co., Ltd.	14	20	18	22	-5	-1
	Kureha GmbH	16	12	10	9	5	3
	Kureha America Inc. (plus 1 group company)	22	63	13	46	9	17
	Kureha Chemicals Shanghai Co., Ltd.	4	9	3	7	1	2
	Consolidation adjustments	-54	-	-44	-	-	-
Total		188	-	167	-	22	-
Specialty Chemicals	Kureha Corporation	124	-	113	-	11	-
	Nishiki Trading Co., Ltd.	48	-	40	-	7	-
	Consolidation adjustments	-16	-	-15	-	-	-
Total		156	-	139	-	17	-
Specialty Plastics	Kureha Corporation	173	-	162	-	11	-
	Nishiki Trading Co., Ltd.	49	-	55	-	-7	-
	Kureha Gosen Co., Ltd.	15	27	15	26	0	1
	Kureha Plastics Co., Ltd.	61	72	61	72	0	0
	Kureha Extech Co., Ltd.	11	14	14	18	-3	-4
	Krehalon Industrie B. V.	30	52	25	45	5	7
	Four other group companies in Europe handling food packaging	21	24	17	22	3	3
	Kureha Shanghai Trading Co., Ltd.	0	1	-	-	0	1
	Consolidation adjustments	-119	-	-121	-	-	-
Total		241	-	228	-	13	-

**KUREHA**

# Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2006 Interim		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other Operations	Kureha Environmental Engineering Co., Ltd.	25	48	21	47	4	1
	Kureha Special Laboratory Co., Ltd.	7	6	7	6	1	1
	Kureha Engineering Co., Ltd. (plus 1 group company)	24	74	47	71	-23	3
	Kurehanishiki Construction Co., Ltd. (plus 3 group companies)	34	82	30	64	5	18
	Kureha Unyu Co., Ltd. (plus 6 group companies)	63	64	62	68	1	-5
	Nishiki Trading Co., Ltd.	10	-	11	-	-2	-
	Kureha Service Co., Ltd.	3	54	6	66	-3	-13
	Kureha Staff Service Co., Ltd.	12	5	9	4	2	1
Consolidation adjustments		-91	-	-95	-	-	-
Total		87	-	98	-	-11	-
(Number of consolidated subsidiaries)		(33)		(32)			
<b>Consolidated Total</b>		<b>672</b>	<b>1,918</b>	<b>631</b>	<b>1,896</b>	<b>41</b>	<b>23</b>
Equity-method affiliates	Rutgers Kureha Solvents GmbH	-		14		-14	
	Nantong SKT New Material Co., Ltd.	18		13		5	

Two additional companies become consolidated group companies:

- Advanced Materials:** As of completion of the financial year ended Mar. 07, Kureha Advanced Materials, a wholly-owned subsidiary of Kureha America, Inc., has been added as a consolidated company
- Specialty Plastics:** As of completion of the interim period ended Sep. 07, Kureha Shanghai Trading Co., Ltd. has been added as a consolidated company

One company removed from list of consolidated companies:

- Other Operations:** Kureha Service Co., Ltd. merged with Kureha Information Systems Co., Ltd, in April 2007

Equity-method affiliates

- The number of equity method affiliates decreased by one. Following the sale of shares in Rutgers Kureha Solvents GmbH, the company is excluded from the list of equity method affiliates for the interim period ended Sep. 07.

**KUREHA**

## 3. Interim Results for the Financial Year 2007

# Financial Highlights

## (Comparison with same period in FY2006)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 Interim			FY2006 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	672	432	1.6	631	394	1.6	41	6.5%	38	9.7%
Operating income	49	34	1.4	29	19	1.6	19	64.9%	15	79.8%
Recurring income	49	38	1.3	30	24	1.2	20	66.6%	13	53.8%
Net income	13	16	0.8	13	8	1.7	0	1.4%	8	100.7%
Total assets	1,918	1,480	1.3	1,896	1,499	1.3	-	-	-	-
Shareholders' equity	1,047	942	1.1	1,022	930	1.1	-	-	-	-
Net income per share (yen)	7.10	8.48	0.8	6.94	4.19	1.7	-	-	-	-
Diluted net income per share (yen)	7.10	8.48	0.8	-	-	-	-	-	-	-
Shareholders' equity per share (yen)	566.26	513.76	1.1	548.88	503.73	1.1	-	-	-	-
Equity ratio	% 54.1	% 63.6	-	% 53.5	% 62.0	-	% -	% -	% -	% -

**KUREHA**

# Financial Highlights (Comparison with estimates from August)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 Interim			FY2007 Interim (as est. in Aug.)			Increase/decrease (Ratio)			
	Consolidated	Non- consolidated	Ratio	Consolidated	Non- consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	672	432	1.6	660	415	1.6	12	1.8%	17	4.1%
Operating income	49	34	1.4	38	26	1.5	11	27.9%	8	29.8%
Recurring income	49	38	1.3	38	30	1.3	11	29.8%	8	25.5%
Net income	13	16	0.8	11	12	0.9	2	18.4%	4	29.7%
Total assets	1,918	1,480	1.3	-	-	-	-	-	-	-
Shareholders' equity	1,047	942	1.1	-	-	-	-	-	-	-
Net income per share (yen)	7.10	8.48	0.8	-	-	-	-	-	-	-
Diluted net income per share (yen)	7.10	8.48	0.8	-	-	-	-	-	-	-
Shareholders' equity per share (yen)	566.26	513.76	1.1	-	-	-	-	-	-	-
Equity ratio	% 54.1	% 63.6	-	% -	% -	-	% -	-	% -	-

**KUREHA**

# Key Indicators (Comparison with same period in FY2006)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 Interim			FY2006 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	49	29	1.7	54	38	1.4	-5	-9%	-10	-25%
Depreciation	49	39	1.3	43	35	1.2	6	15%	4	13%
R&D expenses	31	29	1.1	31	29	1.1	-0	0%	-0	-1%
Interest-bearing debt	323	227	1.4	366	256	1.4	-43	-12%	-29	-11%
Net interest expense	1	8	-	1	9	-	0	-	-1	-
Exchange rate*	119.4yen/\$, 162.3yen/euro			115.4yen/\$, 146.0yen/euro						
Dividend per share		5.0			4.5					
Employees	3,776	1,328	2.8	3,745	1,346	2.8	31	1%	-18	-1%

\*TTM - The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Advanced Materials

(Unit: 100 million yen)

		FY2007 Interim results	FY2006 Interim results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	36	36	0	1%
		Advanced plastics	80	64	16	24%
		Others	20	19	1	3%
		Total	136	119	16	14%
	Consolidated subsidiaries	107	91	15	17%	
	Eliminations	-54	-44	-10	-	
	Total	188	167	22	13%	
Consolidated operating income		21	16	5	30%	
<i>Impact of changes in depreciation method</i>		-0.9				

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# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Chemicals

(Unit: 100 million yen)

		FY2007 Interim results	FY2006 Interim Results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	51	50	1	3%
		Agrochemicals	29	25	4	18%
		Pharmaceuticals	44	39	5	12%
		Total	124	113	11	9%
	Consolidated subsidiaries	48	40	7	18%	
	Eliminations	-16	-15	-1	-	
	Total	156	139	17	12%	
Consolidated operating income		19	12	7	61%	
<i>Impact of changes in depreciation method</i>		-1.2				

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# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

			FY2007 Interim results	FY2006 Interim results	Increase/decrease (Ratio)	
Consolidated net sales	Kureha	Food packaging materials	55	53	3	5%
		Household products	106	101	5	5%
		Fishing lines	6	3	2	79%
		Others	6	5	1	22%
		Total	173	162	11	7%
	Consolidated subsidiaries	187	187	0	0%	
	Eliminations	-119	-121	2	-	
Total			241	228	13	6%
Consolidated operating income			11	2	9	444%
<i>Impact of changes in depreciation method</i>			-1.6			

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# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Other Operations

(Unit: 100 million yen)

		FY2007 Interim results	FY2006 Interim results	Increase/decrease (Ratio)	
Consolidated net sales	Environmental engineering business	32	27	5	17%
	Construction-related business	58	76	-18	-24%
	Transport and warehousing business	63	62	1	1%
	Trading	10	11	-2	-15%
	Others	15	15	0	0%
	Total	177	192	-15	-8%
	Eliminations	-91	-95	4	-
	<b>Total</b>	<b>87</b>	<b>98</b>	<b>-11</b>	<b>-11%</b>
Consolidated operating income		-0	4	-4	-
<i>Impact of changes in depreciation method</i>		<i>-0.4</i>			

**KUREHA**

# Balance Sheets

KUREHA CORPORATION

## 1. Assets

(Unit: 100 million yen)

	As of Sep. 30, 2007		As of Mar. 31, 2007		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	48	27	43	25	5	2
Accounts and notes receivable-trade	347	226	379	212	-33	14
Inventories	249	143	209	135	40	8
Other current assets	66	72	60	83	6	-11
Sub total	710	468	691	455	19	13
Property, plant and equipment	716	502	720	515	-3	-14
Intangible assets	11	8	13	10	-2	-2
Investments and other assets	481	502	537	554	-56	-52
Sub total	1,208	1,012	1,270	1,079	-61	-68
Deferred assets	0	0	0	0	0	0
Total	1,918	1,480	1,961	1,534	-43	-54

## 2. Liabilities and net assets

(Unit: 100 million yen)

	As of Sep. 30, 2007		As of Mar. 31, 2007		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable-trade	216	98	225	87	-9	11
Interest-bearing debt	323	227	325	229	-1	-2
Reserves	48	12	54	15	-5	-3
Other liabilities	284	201	284	241	-0	-40
Sub total	872	538	888	572	-16	-33
Common stock	125	125	125	125	-	-
Capital reserves	100	102	100	102	0	0
Retained earnings	699	615	697	610	3	5
Treasury stock, at cost	-17	-17	-14	-14	-2	-2
Valuation and translation adjustment	131	116	155	140	-24	-24
Share warrant	0	0	-	-	0	0
Minority interests	9	-	12	-	-3	-
Sub total	1,047	942	1,073	963	-27	-21
Total	1,918	1,480	1,961	1,534	-43	-54

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# Analysis of Recurring Income (Comparison with same period in FY2006)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2006 Interim		Change
Recurring income	Kureha	37.6	76%	24.5	83%	13.1
	Consolidated subsidiaries	16.5	33%	16.0	54%	0.6
	Equity-method affiliates	2.5	5%	1.1	4%	1.4
	Consolidation adjustments	-7.3	-15%	-12.0	-40%	4.7
	<b>Total</b>	<b>49.3</b>	<b>100%</b>	<b>29.6</b>	<b>100%</b>	<b>19.7</b>

## Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased sales volume	26	Decreased sales volume	-10	13.1
	Increased unit sales price	15	Increased unit price of raw materials	-8	
	Differing inventories level	6	Increased manufacturing fixed costs	-10	
			Increased marketing costs	-1	
			Increased general and administrative costs	-3	
			Financial balance	-2	
		47		-34	
Consolidated subsidiaries	Overseas advanced materials	7	Domestic advanced materials	-1	0.6
	Domestic trading	1	Domestic plastics	-3	
	Overseas plastics	1	Other operations	-4	
		9		-8	
Equity-method affiliates	Nantong (China)	1.4			1.4
Consolidated adjustments	Adjustments of dividends from subsidiaries	4.7			4.7

**KUREHA**

# Analysis of Recurring Income (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2007 Interim(as est.in May)		Change
Recurring income	Kureha	37.6	76%	20.0	77%	17.6
	Consolidated subsidiaries	16.5	33%	11.0	42%	5.5
	Equity-method affiliates	2.5	5%	1.0	4%	1.5
	Consolidated adjustments	-7.3	-15%	-6.0	-23%	-1.3
	<b>Total</b>	<b>49.3</b>	<b>100%</b>	<b>26.0</b>	<b>100%</b>	<b>23.3</b>

## Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased sales volume	21	Decrease sales volume	-4	17.6
	Increased unit sales price	5	Increased unit price of raw materials	-3	
	Decrease marketing costs	1	Increased manufacturing fixed costs	-5	
	Reduced general and administrative costs	1			
	Decreased R&D costs	2			
		<b>30</b>		<b>-12</b>	
Consolidated subsidiaries	Overseas advanced materials	5	Domestic resin processing business	-2	5.5
	Overseas plastics	1	Construction-related	-1	
	Domestic trading	1			
	Environmental-related	1			
		<b>9</b>		<b>-3</b>	
Equity-method affiliated	Nantong	1.5			1.5
Consolidation adjustments				-1.3	-1.3

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# Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2006 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary income	Income from sales of investment securities	7.2	3.5	8.3	3.0	-1.1	-0.5
	Others	2.7	1.8	4.9	1.6	-2.1	-0.2
	<b>Total</b>	<b>10.0</b>	<b>5.3</b>	<b>13.2</b>	<b>4.6</b>	<b>-3.2</b>	<b>0.7</b>
Extraordinary losses	Loss on limination/sales of fixed assets	6.7	6.1	16.4	15.7	9.7	9.6
	Expense for recall products	6.6	5.3	-	-	6.6	5.3
	Write-down of inventories	4.9	4.3	3.4	3.4	-1.5	-0.9
	Doubtful debt account	1.9	-	-	-	1.9	-
	Others	1.1	1.8	3.2	0.5	2.1	-1.3
<b>Total</b>	<b>21.1</b>	<b>17.5</b>	<b>23.0</b>	<b>19.6</b>	<b>1.9</b>	<b>2.1</b>	

**KUREHA**

# Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 Interim		FY2006 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	88	64	63	44	25	20
	Increase/decrease in assets and liabilities	9	-11	-6	-3	15	-8
	Payments of corporation tax	-30	-13	-28	-15	-2	2
	Other-net	-21	-2	-7	10	-14	-12
		46	38	22	36	24	2
Cashflow from investing activities		-27	-22	-53	-45	26	23
Cashflow from financing activities		-16	-14	10	-10	-26	-4
Effect of exchange rate changes on cash and cash equivalents		0	0	0	0	0	0
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		2	-	-	-	2	-
Net increase/decrease in cash and cash equivalents		5	2	-21	-19	26	21
net increase/decrease in cash and cash equivalents		43	25	65	46	-22	-21
Cash and cash equivalents at end of the term		48	27	44	27	4	0

**KUREHA**

## 4. Estimates for the Financial Year ending March 2008

# Estimated Figures (Comparison with FY2006)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 (as est. in Nov.)			FY2006 results			Increase/decrease			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,550	890	1.7	1,463	852	1.7	87	6.0%	38	4.5%
Operating income	126	73	1.7	118	68	1.8	8	6.4%	5	8.0%
Recurring income	121	78	1.6	117	73	1.6	4	3.6%	5	6.8%
Net income	60	40	1.5	58	39	1.5	2	2.9%	1	2.3%

**KUREHA**

# Estimated Figures (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 (as est. in Nov.)			FY2007 (as est. in May)			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,550	890	1.7	1,550	880	1.8	0	0.0%	10	1.1%
Operating income	126	73	1.7	135	75	1.8	-9	-6.7%	-2	-2.7%
Recurring income	121	78	1.6	130	80	1.6	-9	-6.9%	-2	-2.5%
Net income	60	40	1.5	60	40	1.5	0	0.0%	0	0.0%

**KUREHA**

# Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2007 (as est. in Nov.)			FY2006 results			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	107	82	1.3	107	79	1.4	0	0%	3	4%
Depreciation	102	79	1.3	91	73	1.2	11	12%	6	8%
R&D expense	72	67	1.1	69	65	1.1	3	5%	3	4%
Interest-bearing debt	327	234	1.4	325	229	1.4	2	1%	5	2%
Net interest expense	-0	12	-	0	12	-	-1	-	0	0%
Exchange rate	120yen/\$, 160yen/euro			117.0yen/\$, 150.1yen/euro						
Dividend per share (yen)		10.00			10.00					
Employees	3,762	1,286	2.9	3,749	1,303	2.9	13	0%	-17	-1%

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Advanced Materials

		FY2007 (as est. in Nov.)	FY2007 (as est. in May)	Increase/decrease (Ratio)		FY2006	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	71	69	2	3%	73	-2	-2%
		Advanced plastics	165	162	3	2%	141	24	17%
		Others	44	44	0	0%	41	3	8%
		Total	280	275	5	2%	255	25	10%
	Consolidated subsidiaries	198	198	0	0%	188	10	5%	
	Eliminations	-98	-98	0	-	-91	-7	-	
Total		380	375	5	1%	351	29	8%	
Consolidated operating income		45	49	-4	-8%	43	2	6%	
<i>Impact of changes in depreciation method (Additional depreciation for the 5% of existing assets)</i>		-1.9 (-1.5)							

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Chemicals

(Unit: 100 million yen)

		FY2007 (as est. in Nov.)	FY2007 (as est. in May)	Increase/decrease (Ratio)		FY2006	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	103	102	1	1%	101	2	2%
		Agrochemicals	66	62	4	6%	68	-2	-3%
		Pharmaceuticals	84	86	-2	-2%	86	-2	-2%
		Total	253	250	3	1%	254	-1	-1%
	Consolidated subsidiaries	94	82	12	15%	82	12	15%	
	Eliminations	-37	-37	0	-	-31	-6	-	
Total		310	295	15	5%	305	5	1%	
Consolidated operating income		29	29	0	0%	33	-4	-13%	
<i>Impact of changes in depreciation method (Additional depreciation for the 5% of existing assets)</i>		-2.4 (-2.1)							

KUREHA

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

		FY2007 (as est. in Nov.)	FY2007 (as est. in May)	Increase/decrease (Ratio)		FY2006	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging materials	111	111	0	0%	109	2	2%
		Household products	216	216	0	0%	204	12	6%
		Fishing lines	16	18	-2	-11%	16	0	0%
		Others	14	10	4	40%	13	1	6%
		Total	357	355	2	1%	343	15	4%
	Consolidated subsidiaries	398	390	8	2%	389	9	2%	
	Eliminations	-245	-245	0	-	-247	2	-	
Total		510	500	10	2%	484	26	5%	
Consolidated net income		36	35	1	3%	22	14	63%	
<i>Impact of changes in depreciation method</i>		-3.2							
<i>(Additional depreciation for the 5% of existing assets)</i>		(-2.8)							

KUREHA

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Other Operations

(Unit: 100 million yen)

		FY2007 (as est. in Nov.)	FY2007 (as est. in May)	Increase/decrease (Ratio)		FY2006	Increase/decrease (Ratio)	
Consolidated net sales	Environmental engineering business	66	64	2	3%	61	5	9%
	Construction-related business	305	344	-39	-11%	299	6	2%
	Transport and warehousing business	128	130	-2	-2%	126	2	2%
	Trading	20	20	0	0%	20	0	2%
	Others	28	27	1	4%	32	-4	-13%
	Total	547	585	-38	-6%	537	10	2%
	Eliminations	-197	-205	8	-	-215	18	-
	<b>Total</b>	<b>350</b>	<b>380</b>	<b>-30</b>	<b>-8%</b>	<b>322</b>	<b>28</b>	<b>9%</b>
Consolidated operating income		19	25	-6	-24%	23	-4	-17%
<i>Impact of changes in depreciation method (Additional depreciation for the 5% of existing assets)</i>		-0.8 (-0.5)						

KUREHA

# Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2007 (as est. in Nov.)		FY2006 results		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	217	140	186	125	31	15
	Increase/decrease in assets and liabilities	-8	-4	3	-6	-11	2
	Payments of corporation tax	-40	-18	-41	-19	1	1
	Other-net	-26	3	-9	8	-17	-5
		143	121	139	109	4	12
Cashflow from investing activities		-88	-92	-120	-79	32	-13
Cashflow from financing activities		-35	-30	-48	-51	13	21
Effects of exchange rate changes on cash and cash equivalents		0	0	0	0	0	0
Net increase/decrease in cash and cash equivalents due to merger		-	-	6	-	-6	-
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		2	-	-	-	2	-
Net increase/decrease in cash and cash equivalents		22	-1	-23	-21	45	20
Cash and cash equivalents at beginning of year		43	25	65	46	-22	-21
Cash and cash equivalents at end of year		65	24	43	25	22	-1

**KUREHA**

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- 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
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