



"Kureha Corporation" New Name, New Mission, New Focus

Aggressive New Mid-term Business Plan Unveiled
Financial Forecasts Updated For Fiscal 2004, 2006 and 2008

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Leading diversified chemical products manufacturer, Kureha Chemical Industry Co., Ltd ("Kureha"), announced sweeping changes, including the creation of a new corporate identity; a change of name; and the launch of an aggressive mid-term business plan. These new initiatives are aimed at revitalizing the business and repositioning the company as a leading specialty products company. The three pillars of the new-look Kureha are as follows:

1. New Corporate Identity

To mark the celebration of its sixtieth anniversary, Kureha unveiled a new corporate identity that is in line with its strategy to pursue continued success and growth in the 21st century. Kureha's Corporate Identity Committee, chaired by the General Manager of the Corporate Strategies Division, formulated the new corporate identity through a nine-month investigation process that included input from all Kureha employees. The three key aspects of the company's new corporate identity - its mission, its corporate philosophy and its employee code of conduct - are outlined below:

(1) Mission

- ◆ The pursuit of excellence

(2) Corporate philosophy

- ◆ We treasure people and the natural environment
- ◆ We constantly evolve through innovation
- ◆ We contribute to society by developing beneficial products

(3) Employee code of conduct

We always act as global corporate citizens, recognizing our corporate social responsibilities.

- ◆ In relation to our clients: Customer satisfaction is our prime priority
- ◆ In relation to our work: We will always pursue progress and innovation. We will maintain a global perspective as we respond to change.
- ◆ In relation to our colleagues: Mutual respect and teamwork will always be fundamental to sound employee relationships

2. New Company Name

Reflecting the new corporate identity, Kureha will change its name from Kureha Chemical Industry Co., Ltd., to Kureha Corporation on October 1, 2005, subject to approval at the June 2005 Annual Shareholder Meeting.

The new name, Kureha Corporation, illustrates the company's commitment to its new mission - "The pursuit of excellence." It also reflects the company's determination to pursue sustained growth by expanding beyond the chemical industry and creating a new Kureha brand.

3. Aggressive New Business Plan

Kureha adopted a mid-term business plan from fiscal 2001 until now, that shifted the company's focus from manufacturing commodity chemicals to becoming a specialty products business. The plan introduced a process of selecting and concentrating on key growth businesses. On this basis, Kureha transferred its modifier operations to its joint venture partner and withdrew from its PVC business.

Building on the successes of this early mid-term plan, Kureha unveiled today a new medium term plan for fiscal 2005 ~ 2008. This new plan sets the company on a further growth path as a specialty products company focusing on manufacturing high value-added, highly differentiated products. Through the plan, Kureha aims to dramatically expand the company's operations and maximize profitability. Kureha's intention is to expand its existing businesses while also commercializing new products that have been developed using the company's in-house R&D capabilities.

Through its new philosophy, the company aims to motivate employees to participate in driving Kureha's development ----- by "Constantly evolving through innovation", Kureha will become a leading global specialty products company.

Kureha President, Hiroshi Tanaka, commented, "Our sixtieth anniversary is the perfect opportunity to introduce bold new initiatives to reposition Kureha as a leading global specialty products manufacturer. We are totally committed to our new mission - 'The pursuit of excellence' - and we look forward to delivering on this promise."

New Business Plan ----- Financial Forecasts

Kureha has reviewed its financial forecasts in light of this new business strategy, and has developed new forecasts for the next four years. These new forecasts illustrate the company's preferred position in fiscal 2008, and reflect the rapidly changing business environment in which Kureha operates. The financial forecasts include estimates for fiscal 2006 that are based on fiscal 2004 projections. Under the new plan, Kureha will gradually incorporate the 2008 targets into its plan, after reviewing strategies on an annual basis and taking into account the changing business environment.

Selected Consolidated Financial Forecasts

(Yen billion, except where stated)

	Fiscal 2004	Fiscal 2006	Fiscal 2008
Sales	137.0	155.0	180.0
Operating profit	10.5	14.0	20.0
Operating profit margin (%)	8	9	11
Return on equity (ROE) (%)	5	7	10

Consolidated Financial Forecasts by Business Segment

(Yen billion)

Division		Fiscal 2004	Fiscal 2006	Fiscal 2008
Advanced materials	Sales	26.5	32.5	40.0
	Operating profit	3.6	4.0	7.0
Specialty products	Sales	30.7	30.5	34.0
	Operating profit	3.5	4.0	4.5
Plastics	Sales	52.7	60.5	72.0
	Operating profit	1.6	3.5	5.5
Others	Sales	27.1	31.5	34.0
	Operating profit	1.9	2.5	3.0
Total	Sales	137.0	155.0	180.0
	Operating profit	10.5	14.0	20.0

Main Products by Business Segment

Segment	Main areas	Main Products and <u>Products Under Development</u>
Advanced Materials	Advanced products, Carbon products	PPS resin, PVDF resin, carbon fiber, bead-shaped activated carbon, <u>heat-absorbing materials for windows, optical products</u>
Specialty Products	Pharmaceuticals, Agrochemicals, Inorganic chemicals, Organic chemicals	Fungicides (Metconazole, Iaconazole) Anti-cancer agent (Krestin), Chronic renal failure treatment (Kremeszin), <u>Anti-HIV agent, Anti-pancreas cancer agent</u>
Plastics	Food packaging materials, Home products, Synthesized fiber	Polyvinylidene chloride resin (Krehalon), High-barrier packaging film (Besela), Household food wrapping materials (NEW Krewrap), Fishing lines (Seaguar Series), <u>PGA (polyglycolic-acid resin)</u>
Others	Environment, Engineering, Transport, Storage related	Industrial waste processing, medical waste processing, drainage/exhaust processing systems

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Notes to Editors**About Kureha Chemical Industry Co., Ltd.**

Kureha Chemical Industry Co., Ltd. is a major diversified manufacturer of chemical products listed on the Tokyo and Osaka Stock exchanges (TSE code 4023). The company was established in 1944 as a manufacturer of caustic soda, chlorine-based chemicals, and fertilizers.

Utilizing its strong in-house R&D technologies, it has since developed into a leading manufacturer of advanced materials (such as polyphenylene sulphide (PPS) plastic), specialty products (pharmaceuticals and agrochemicals) and plastics (food packaging materials and household goods).

The company also undertakes construction and maintenance operations associated with each of its major businesses, as well as providing transport, environmental management and other services.

Kureha's range of in-house developed '*household-name*' products includes anti-cancer agent, "*Krestin*", and food wrapping film, "*Krewrap*."

The company's main factory is located in *Nishiki, Fukushima* Prefecture, Japan. Kureha's international activities include production facilities in China and The Netherlands, and the United States. More information may be found at <http://www.kureha.co.jp>