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Kureha Initiates Feasibility Study into Possible Plant Construction in Singapore

Leading specialty chemicals and plastics company, Kureha Chemical Industry Co., Ltd ("Kureha"), today announced the launch of a study in Singapore to examine the feasibility of constructing a new production facility to manufacture super engineering plastics, polyphenylene sulphide ("PPS") resin.

PPS is a key super engineering plastics product with a diverse range of high-tech applications in the electrical, electronics, automobile and industrial products industries. Together with its US joint venture, *Fortron Industries*, Kureha is the largest producer of PPS resin in the world.

Kureha is looking at Singapore as a potential location for this new plant because it believes that Singapore offers a conducive business environment, and a world-class infrastructure coupled with a well-educated workforce. Together with its extensive expertise and know-how related to the construction of state-of-the-art, high-tech production facilities, Singapore also possesses a number of the key feedstock materials to produce PPS, making it an attractive potential location for the new plant.

Kureha's President and Chief Executive Officer, *Hiroshi Tanaka*, stated, "Given the huge growth potential for PPS resin, we expect there to be a global shortage within two to three years. A new dedicated plant, together with our additional production coming on stream in Japan, will enable us to meet the burgeoning level of demand. It will also enable us to maintain our position as the leading supplier of PPS resin in the world."

Kureha recently announced an aggressive new midterm plan, which maps out its new growth strategy as a specialty products company, focusing on high value-added, highly differentiated niche products, while utilizing the company's strong in-house R&D capabilities. The company is targeting group sales of JPY180 billion in fiscal 2008, compared with JPY135 billion in fiscal 2003.

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Notes to Editors

About Kureha Chemical Industry Co., Ltd.

Kureha Chemical Industry Co., Ltd. is a major chemicals and plastics company 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] resin), specialty chemicals (pharmaceuticals and agrochemicals), and specialty 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 food wrapping film, "*Krewrap*" and fluorocarbon fishing line, "*Seaguar*."

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