

Kureha Corporation Reports Solid Interim Results *Strategic Products Contributing to Growth*

Tokyo, Japan – November 11, 2005 – Leading specialty chemicals and plastic products company, Kureha Corporation (“Kureha”), posted a 2 % year-on-year increase in operating profits for the interim period ended September 30, 2005. Consolidated operating income was ¥3.69 billion, ahead of the company’s projected figure of ¥3.5 billion. In addition, sales have grown to ¥62.1 billion from ¥60.9 billion recorded for the previous interim period.

These results suggest that Kureha’s recent strategy of focusing on high value-added products in growth areas is paying off. Advanced plastics such as the super engineering plastic, *Polyphenylene Sulphide (PPS) Resin*, pharmaceuticals such as the therapeutic agent for chronic kidney disease, *Kremezin*, and agrochemicals such as the fungicide, *Metconazole*, are contributing.

Kureha President and Chief Executive Officer, Hiroshi Tanaka, said, “We are pleased to report solid interim results for the first half of fiscal 2005. This is Kureha’s first results announcement under our new identity as Kureha Corporation, and we anticipate that Kureha’s new corporate direction will have an increasingly positive impact on financial results in this fiscal year and beyond.”

Summary of financial performance

Summary of Consolidated interim-results

(¥ million, except where stated)

	Sept. 2005	Sept. 2004	Change (%)
Sales	62,141	60,967	2
Operating income	3,693	3,621	2
Recurring income	3,672	3,365	9
Net income	1,525	1,403	9
Earnings per share (EPS) (¥)	8.23	7.40	11

For the interim period ended September 30, 2005, Kureha recorded consolidated sales of ¥62.1 billion, a 2% year-on-year increase. Operating income rose by 2% to ¥3.69 billion, which was ahead of the ¥3.5 billion figure projected by the company at the end of fiscal 2004.

Recurring income grew by 9% to ¥3.67 billion from ¥3.37 billion a year ago, while net income rose by 9% to ¥1.5 billion. This was achieved despite the increase in oil prices as Kureha successfully managed to transfer these cost increases onto the purchase price of its products.

Operating highlights by division

Consolidated interim performance

(¥ million, except where stated)

Division		Sept. 2005	Sept. 2004	Change (%)
Advanced materials ¹	Sales	14,999	12,476	20
	Operating income	1,646	1,646	(0)
Specialty chemicals	Sales	14,960	14,164	6
	Operating income	2,122	1,670	27
Specialty plastics ¹	Sales	21,964	24,410	(10)
	Operating income	(215)	(57)	--
Other operations	Sales	10,217	9,916	3
	Operating income	423	457	(7)
	Operating income Cancellations	(283)	(94)	--
Total	Sales	62,141	60,967	2
	Operating profit	3,693	3,621	2

Advanced materials division

Major product areas: advanced plastics (PPS resin, PVDF resin), carbon products

PPS resin – Global supply shortage expected

Sales of advanced plastics (PPS resin and PVDF resin) increased from ¥5.0 billion in September 2004 to ¥5.6 billion in September 2005. PPS resin, a super engineering plastics with a diverse range of applications, including in the electrical, electronic and automobile industries, ran at full production capacity throughout the year and registered strong sales. Kureha, together with its US joint venture, is the world's largest manufacturer of PPS resin, one of Kureha's key strategic growth products.

Kureha produces 7,500 of the 40,000 tonnes of PPS resin produced globally per year. Demand continues to grow at over 10% per year and demand is expected to continue to grow at this high rate. Global demand is widely expected to reach 50,000 tonnes by 2008. As a result, it is predicted that demand will outpace production capacity within two or three years.

To meet this increase in demand, Kureha is rapidly expanding PPS production capacity at its Iwaki Factory in Japan. Production capacity has already risen from 6,200 to 7,500 tonnes per year as of April 2005, and will reach 10,000 tonnes per year by April 2006. However, further significant increases in production capacity will be necessary to respond to the global shortfall expected after 2008, including the possibility of a newly constructed production facility.

Polyvinylidene fluoride (PVDF) resin – Production capacity to be increased

The demand outlook for Polyvinylidene fluoride (PVDF) resin, a high performance material used in the chemical and electronic industries, remains positive, particularly due to growing demand for use in a number of new applications. While an increase in depreciation costs is beginning to impact the contribution of PVDF production, nonetheless, in order to meet demand increases, Kureha plans to increase production capacity from 1,500 to 2,500 tonnes per year by December 2005.

¹ As of fiscal year 2005, the subsidiary company Kakogawa Plastics Co., Ltd., has been transferred from the Specialty Plastics division to the Advanced Materials division.

Demand for carbon products buoyant

Sales of carbon products showed stronger than expected growth. In particular, positive sales results were recorded by carbon fibers for heat-resistance materials such as heat-treatment furnaces, and bead-shaped activated carbon, used as a material in fields such as air deodorization, gas absorption and water purification. Furthermore, the cost reduction efforts associated with the Shanghai assembly facility have also contributed to the profitability improvement of carbon fibers.

Specialty chemicals division

Major product areas – pharmaceuticals, agrochemicals, industrial chemicals

Pharmaceuticals remain stable

Sales of pharmaceutical products remained stable during the interim period ended September 2005, at around ¥4.5 billion. Sales of key products such as *Kremezin*, a therapeutic agent for chronic kidney disease, and *Krestin*, a drug for cancer immunotherapy, maintained their previous rates. Targeting future growth, Kureha is continuing to make progress in expanding overseas markets for *Kremezin*, a product that is currently predominantly sold in the domestic market. In June 2004, Kureha signed a licensing agreement for *Kremezin* in China, while in February 2005 the company started selling in South Korea via a business alliance with Sankyo and CJ Corp, a major Korean food and pharmaceutical firm. By 2008, Kureha believes that *Kremezin* is likely to become a standard treatment for chronic kidney disease in Japan. Kureha is also targeting sales of *Kremezin* in the USA from around 2010, with the product now about to enter phase III clinical trial stage there.

Worldwide registrations of agrochemicals continuing to increase

Sales of agrochemicals increased by 7% year-on-year, having risen from ¥2.9 billion in September 2004 to ¥3.1 billion in September 2005. Kureha's agricultural fungicide, *Metconazole*, a fungicide for cereal crops that Kureha produces in Japan and India, which is now marketed in over 30 countries, recorded particularly buoyant sales in Europe through an alliance with BASF. Long-term growth prospects for *Metconazole* are also strong as the product is expected to receive approval to be marketed in Japan on wheat and citrus fruits, in Taiwan on mangos, and in Brazil on soy beans, all by March 2007. Other agrochemical products produced by Kureha include *Ipconazole*, a seed treatment fungicide that is currently marketed in five countries.

Industrial chemical price rises achieved

The profitability of this subdivision has greatly improved as a result of the belated completion of price increases that were implemented to help transfer the effects of higher oil prices.

Specialty plastics division

Major product areas – food packaging materials, household products, fishing lines

NEW Krewrap shows profitability improvement

Overall sales of household products grew from to ¥9.4 billion in the interim period ended September 2005, up from ¥9.3 billion at the same time last year. Although sales of Kureha's household wrapping film were flat, profitability has improved as a result of an increased unit sales price following a revision of the pricing structure.

Completion of *Krehalon* plant in China

Exports of polyvinylidene chloride (PVDC) compound, used in the packaging of perishable foods, such as sausages, fell due to severe competition. However, Kureha is aggressively targeting future growth in this area and has recently completed construction of a new *Krehalon* compound plant in Nantong, China, via a joint venture with a local manufacturer and a Japanese trading company.

***Besela* sales slow but outlook remains positive**

Besela, Kureha's new high barrier lamination material developed to replace cans, is yet to gain growth momentum as a result of the longer-than-expected evaluation phase.

Other operations division

Major product areas – environmental engineering, construction and transport/warehousing-related businesses

Industrial waste processing facing more competition

The area with the greatest growth potential in this division is the environmental engineering-related businesses, such as medical waste processing and the restoration of polluted soil. In this particular interim period, sales in this subdivision were down due to the absence of major projects and an increase in competition. However, Kureha continues to operate one of the largest incineration services to medical institutions in Japan. During fiscal 2004, the company had increased its medical waste processing capacity from 1,200 to 1,600 tonnes per month, and continues to maintain a high market share in the Tohoku and Kanto regions. Business is especially expanding in the Tokyo area.

Medical waste tracking system under development

In July 2004, Kureha and IBM Japan began joint development of a waste tracking system that uses IC tags to prevent the illegal dumping of medical waste. The Tokyo Metropolitan Government has recently announced that it will begin introduction of the IC tag tracking system from 2006, starting with five hospitals in Tokyo.

Capex, depreciation and R&D

Consolidated capital expenditure for the interim period amounted to a total of ¥5.7 billion, with a further ¥8.6 billion spending forecast for the second half of fiscal 2005. The capital expenditure is largely the result of Kureha's investment in additional PPS and PVDF resin production capacity, as well as upgrading the Iwaki Factory power plant. Kureha expects to invest a total of ¥7.2 billion in R&D in fiscal 2005.

Consolidated capital expenditure, depreciation and R&D

	Sept. 2005	Sept. 2004	Fiscal 2005 (forecast)
			(¥ billion)
Capital expenditure	5.7	5.9	14.3
Depreciation	3.8	3.7	8.0
R&D	3.2	3.2	7.2

Outlook for fiscal 2005 and beyond

Kureha's financial forecasts for fiscal 2005 are shown in the following table:

Summary of consolidated financial forecasts

(¥ million, except where stated)

	Fiscal 2005 (Forecasts)	Fiscal 2004	Change (%)
Sales	137,000	130,400	5
Operating income	11,500	10,255	12
Recurring income	10,500	9,705	8
Net income	5,200	4,467	16
Earnings per share (EPS) (¥)	28.45	23.41	22

Earnings estimates remain unchanged, though Kureha has lowered its sales forecast for fiscal 2005 from ¥140 billion to ¥137 billion as a result of delays in expanding new products domestically and overseas, such as *Bese/a* and other food packaging materials, and an increase in PVDC compound cost competition in China.

Promising new products

In addition to the key growth areas mentioned above, Kureha also has a range of promising new products under development, including:

Polyglycolic acid (PGA) resin for carbonated drink containers and beer bottles

The commercialization of PGA resin for use in carbonated drink containers and beer bottles is now a priority for the company. Polyethylene Terephthalate (PET) bottles that contain a PGA layer have an extended shelf life and therefore the product has the potential to revolutionize the soft drink industry. Kureha intends to conduct test marketing of PGA in stages from fiscal 2006. The company is targeting PGA utilization by soft drink manufacturers around the world.

Solar control material

Solar control material is a type of filter that, when applied to a window absorbs heat from the sun, thereby reducing room temperature without the need to darken the room with blinds or curtains. Kureha is currently developing applications for this technology in association with glass and automobile parts manufacturers.

Anti HIV agent

Pre-clinical tests have been completed and the company is now considering partnerships with major foreign manufacturers. Kureha has the option of either licensing or selling the technology.

For further information, please contact:

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Notes to Editors

About Kureha Corporation

Kureha Corporation is a leading chemical and plastic products company, listed on both the Tokyo and Osaka Stock Exchanges (4023). The company was established in 1944 as a manufacturer of caustic soda, chlorine-based chemicals, and fertilizers.

Utilizing strong in-house R&D capabilities, Kureha has developed into a leading manufacturer of advanced plastics (such as PPS resin and PVDF resin), specialty chemicals (pharmaceuticals, including therapeutic agent for chronic kidney disease, *Kremezin*, and agrochemicals) and specialty plastics (food packaging products, including *New Krewrap*, and other household goods).

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

Kureha's main factory is located in Iwaki, Fukushima Prefecture, Japan. In addition, the company has overseas production facilities in China, The Netherlands, and via a joint venture in the United States. More information may be found at <http://www.kureha.co.jp/>

<Appendix>

Condensed interim consolidated balance sheets

As of 30 September 2005 and 2004

	¥ millions	
	FY2005 Sept. 2005	FY2004 Sept. 2004
Assets		
Current assets	60,630	61,522
Cash and cash equivalents	5,150	5,825
Fixed assets	112,841	109,393
Property, plant and equipment	69,985	68,006
Intangible assets	2,049	2,159
Investments and other assets	40,806	39,227
Total Assets	173,471	170,915
Liabilities and Shareholders' Equity		
Current liabilities	57,556	56,497
Short-term borrowings	26,048	27,342
Long-term liabilities	22,781	21,083
Long-term liabilities	11,882	11,048
Total Liabilities	80,338	77,581
Minority Interest	720	1,956
Shareholders' Equity	92,413	91,378
Total Liabilities, Minority Interests and Shareholders' Equity	173,471	170,915

Condensed interim consolidated statement of income

For the fiscal years ended 30 September 2005 and 2004

	¥ millions	
	FY2005 Sept. 2005	FY2004 Sept. 2004
Sales	62,141	60,967
Cost of goods sold	44,346	43,168
Selling, general and administrative expenses	14,101	14,177
Operating income	3,693	3,621
Non-operating income	593	425
Non-operating expenses	614	681
Recurring income	3,672	3,365
Extraordinary gains	1,025	762
Extraordinary losses	2,155	1,528
Income before income taxes	2,542	2,599
Taxes and minority interest adjustments	1,016	1,194
Net income	1,525	1,403

Interim Results for the Financial Year Ending March 31, 2006

November 11, 2005

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I. Major Events (April-November 2005)

KUREHA CORPORATION

1. Management

- April** Kureha's long-term preferred debt rated JCR "A"
- August** 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
- October** Company name changed to Kureha Corporation
Corporate headquarters moved to Nihonbashi-Hamacho, Chuo-ku
- November** Civil law suit in the US concerning modifier settled with plaintiffs for US\$5 million payment

2. Advanced materials

- April** Production capacity at PPS plant in Iwaki factory raised to 7500t/year
- October** 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
- October** 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.

3. Specialty chemicals

- June** Announced price revision of caustic soda
- September** Announced price revision of liquid chlorine

4. Specialty plastics

- April** Sales operations of multilayered packaging film "Pairflex FA" transferred to Kureha Extech Co., Ltd.
- September** Sold stakes in European packaging materials producer "KREHALON SYNCLAIR PACKAGING B.V."
- September** Opened Nantong SKT New Materials Co., Ltd. The company began producing PVDC in October

5. Others

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

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. Consolidated Companies (1)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005 Interim		FY2004 Interim		Increase/Decrease		
		Net Sales	Total Assets	Net Sales	Total Assets	Net Sales	Total Assets	
KUREHA CORPORATION		393	1,387	382	1,358	11	29	
(and one group company)		141	122	138	121	3	1	
Advanced Materials	KUREHA CORPORATION	110	-	99	-	11	-	
	Nishiki Trading Co., Ltd. (plus one group company)	39	-	38	-	1	-	
	Kakogawa Plastics Co., Ltd.*	14	21	-	-	14	21	
	KUREHA CHEMICALS GmbH	8	7	3	5	5	2	
	KREHA CORPORATION OF AMERICA	6	5	6	6	0	-1	
	KUREHA KPS, INC.	5	30	5	27	0	3	
	Kureha Chemicals Shanghai Co., Ltd.	3	8	1	5	2	3	
Consolidation adjustments		-35	-	-28	-	-7	-	
Total		150	-	125	-	25	-	
Specialty Chemicals	KUREHA CORPORATION	125	-	119	-	6	-	
	Nishiki Trading Co., Ltd.	40	-	37	-	3	-	
	Consolidation adjustments	-14	-	-14	-	0	-	
Total		150	-	142	-	8	-	
Specialty Plastics	KUREHA CORPORATION	158	-	164	-	-6	-	
	Nishiki Trading Co., Ltd.	53	-	51	-	2	-	
	Kureha Gosen Co., Ltd.	15	24	15	25	0	-1	
	Kureha Plastics Co., Ltd.	60	72	57	71	3	1	
	Kureha Extech Co., Ltd.	14	18	12	16	2	2	
	Krehalon Industrie B.V.	20	36	20	31	0	5	
	Four other froup companies in Europe handling food packaging* (Kakogawa Plastics Co., Ltd. *)	22	26	21	33	1	-7	
	Consolidation adjustments		-	-	17	22	-17	-22
	Consolidation adjustments		-122	-	-112	-	-10	-
Total		220	-	244	-	-24	-	

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Consolidated Companies (2)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005 Interim		FY2004 Interim		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other Operations	Kureha Kankyo Co., Ltd and 1group company	27	49	28	46	-1	3
	Kureha Special Laboratory Co., Ltd.	6	5	6	4	0	1
	Kureha Engeering Co., Ltd.	41	45	36	47	5	-2
	Kureha Construction Co., Ltd. and 3 group companies	37	55	36	58	1	-3
	Kureha Transport Co., Ltd. and 6 group companies	60	58	60	57	0	1
	Nishiki Trading Co., Ltd.	9	-	11	-	-2	-
	Kureha Service Co., Ltd. and 1 group companies*	7	66	7	62	0	4
	Consolidated adjustments	-85	-	-85	-	0	-
Total		102	-	99	-	3	-
(Number of consolidated companies)		(33)		(35)		(-2)	
Consolidated Total		621	1,735	610	1,709	12	26
Equity-method affiliates	Rutgers Kureha Solvents GmbH	(11)		(10)		(1)	

*Reduction in number of consolidated companies

Specialty Plastics: Krehalon Synclair Packaging B.V.

Other Operations: Kureha Service Co., Ltd

(Kureha Kosan Co., Ltd. newly changed its name to Kureha Service Co., Ltd. in October 1, 2005)

*As of fiscal year 2005, Kakogawa Plastics has been transferred from the Specialty Plastics division to the Advanced Materials division

KUREHA

. Interim results for fiscal 2005

Financial Highlights (Comparison with same period in FY2004)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005 Interim			FY2004 Interim			Increase/Decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	621	393	1.6	610	382	1.6	12	1.9%	11	2.9%
Operating income	37	27	1.3	36	23	1.6	1	2.0%	5	19.9%
Recurring income	37	31	1.2	34	25	1.3	3	9.1%	6	23.8%
Net income	15	15	1.0	14	10	1.4	1	8.7%	5	51.4%
Total assets	1,735	1,387	1.3	1,709	1,358	1.3	-	-	-	-
Shareholders' equity	924	868	1.1	914	870	1.1	-	-	-	-
Net income per share(yen)	8.23	8.3	1.0	7.40	5.37	1.4	-	-	-	-
Shareholders' equity per share(yen)	505.6	472.75	1.1	484.14	459.95	1.1	-	-	-	-
Equity ratio	% 53.3	% 62.6	0.9	% 53.5	% 64.0	0.8	% -	-	% -	-

KUREHA

Financial Highlights (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY 2005 Interim			FY2005 Interim (as est. in May)*			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	621	393	1.6	645	394	1.6	-24	-3.7%	-1	-0.3%
Operating income	37	27	1.3	35	23	1.5	2	5.5%	4	19.0%
Recurring income	37	31	1.2	35	25	1.4	2	6.4%	6	23.9%
Net income	15	15	1.0	15	13	1.2	0	1.7%	2	11.1%
Total assets	1,735	1,387	1.3	-	-	-	-	-	-	-
Shareholders' equity	924	868	1.1	-	-	-	-	-	-	-
Net income per share(yen)	8.23	8.3	1.0	-	-	-	-	-	-	-
Shareholders' equity per share(yen)	505.60	472.75	1.1	-	-	-	-	-	-	-
Equity ratio	% 53.30	% 62.6	0.9	% -	% -	-	% -	-	% -	-

*Disclosed as of May 10, 2005

KUREHA

Key Indicators (Comparison with same period in FY2004)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005 Interim			FY2004 Interim			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	57	44	1.3	59	40	1.5	-2	-4%	5	12%
Depreciation	38	30	1.3	37	27	1.4	2	5%	2	9%
R&D expenses	32	31	1.0	32	31	1.0	-1	-2%	-1	-2%
Interest-bearing debt	379	272	1.4	384	267	1.4	-5	-1%	5	2%
Net interest expense	1	6	-	1	5	-	1	-	1	-
Exchange rate(US \$)	109.3			109.8						
Employees	3,806	1,395	2.7	3,902	1,415	2.8	-96	-2%	-20	-1%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit: 100 million yen)

			FY2005 Interim		Increase/ Decrease(Ratio)		FY2004 Interim	Increase/ Decrease(Ratio)	
			Results	Estimates					
Consolidated net sales	KUREHA	Carbon products	39	34	6	17%	33	6	19%
		Advanced plastics	56	60	-4	-7%	50	6	12%
		Others	15	17	-2	-13%	16	-1	-4%
		Total	110	111	-1	-1%	99	12	12%
	Consolidated subsidiaries	75	75	0	0%	54	21	39%	
	Eliminations	-35	-32	-3	-	-28	-7	-	
	Total	150	154	-4	-3%	125	25	20%	
Consolidated operating income			16	19	-3	-13%	16	0	0%

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Specialty Chemicals

(Unit: 100 million yen)

			FY2005 Interim		Increase/		FY2004	Increase/	
			Results	Estimates	Decrease(Ratio)		Interim	Decrease(Ratio)	
Consolidated net sales	KUREHA	Industrial chemicals	48	48	0	0%	45	3	7%
		Agrochemicals	31	24	7	30%	29	2	7%
		Pharmaceuticals	45	40	5	12%	45	0	0%
		Total	125	112	13	11%	119	5	4%
		Consolidated subsidiaries	40	36	4	12%	37	3	8%
		Eliminations	-14	-15	0	-	-14	0	-
		Total	150	133	17	12%	142	8	6%
Consolidated operating income			21	10	11	112%	17	5	27%

Specialty Plastics

(Unit: 100 million yen)

		FY2005 Interim		Increase/		FY2004 Interim	Increase/		
		Results	Estimates	Decrease	(Ratio)		Decrease	(Ratio)	
Consolidated net sales	KUREHA	Food packaging materials	54	63	-8	-13%	60	-5	-9%
		Household products	94	98	-4	-4%	93	1	1%
		Fishing lines	5	5	0	0%	4	1	25%
		Others	5	5	-1	-11%	7	-2	-32%
	Total	158	171	-13	-8%	164	-6	-3%	
	Consolidated subsidiaries	184	188	-4	-2%	192	-8	-4%	
	Eliminations	-122	-114	-8	-	-112	-10	-	
Total		220	245	-25	-10%	244	-24	-10%	
Consolidated operating income		-2	4	-6	-	-1	-2	-	

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

			FY2005 Interim		Increase/		FY2004 Interim	Increase/	
			Results	Estimates	Decrease(Ratio)			Decrease(Ratio)	
Consolidated net sales	Environmental engineering business	33	37	-4	-11%	34	-1	-4%	
	Construction-related business	78	75	2	3%	72	5	7%	
	Transport and warehousing business	60	65	-5	-7%	59	1	2%	
	Trading	9	13	-4	-30%	11	-2	-20%	
	Others	7	7	0	0%	7	0	0%	
	Total	187	197	-10	-5%	184	3	2%	
	Eliminations	-85	-84	-1	-	-85	0	-	
Total	102	113	-11	-10%	99	3	3%		
Consolidated operating income			4	2	2	112%	5	-0	-7%

KUREHA

1. Assets

(Unit: 100 million yen)

	As of Sep. 30, 2005		As of March 31, 2005		Increase/Decrease		(Ref.)As of Sep. 30, 2004	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	52	30	60	34	-9	-4	58	33
Accounts and notes receivable-trade	289	184	320	197	-32	-13	304	203
Inventories	197	129	187	128	10	2	204	132
Other current assets	69	91	48	79	21	11	49	81
Property, plant and equipment	700	500	693	487	7	13	680	472
Intangible assets	20	17	21	19	-0	-2	22	20
Total investments and other assets	408	435	398	425	10	10	392	417
Total	1,735	1,387	1,727	1,370	7	17	1,709	1,358

2. Liabilities, minority interests and shareholders' equity

(Unit: 100 million yen)

	As of Sep. 30, 2005		As of March 31, 2005		Increase/Decrease		(Ref.)As of Sep. 30, 2004	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable-trade	154	69	168	71	-14	-1	155	74
Interest-bearing debt	379	272	349	238	31	34	384	267
Reserves	51	14	52	13	-2	1	55	16
Other liabilities	220	164	220	169	-0	-5	181	131
Minority interests	7	-	8	-	-1	-	20	-
Common stock	125	125	125	125	-	-	125	125
Capital reserve	99	97	97	97	1	0	97	97
Unrealized gains on investment securities	97	85	96	85	1	0	90	83
Other retained earnings	604	561	613	572	-9	-11	602	565
Total	1,735	1,387	1,727	1,370	7	17	1,709	1,358

Analysis of Recurring Income

(Comparison with same period in FY2004)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005 Interim		FY2004 Interim		Change
Recurring income	KUREHA	31.0	84%	25.0	74%	6.0
	Consolidated subsidiaries	12.1	33%	14.5	43%	-2.4
	Equity-method affiliate	0.1	0%	0.1	0%	0.0
	Consolidation adjustments	-6.5	-18%	-5.9	-18%	-0.6
	Total	36.7	100%	33.7	100%	3.0

Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
KUREHA	Higher sales volume	3.8	Higher unit cost of fuel	-9.0	6.0
	Increase in unit sales price	9.7	Increase in manufacturing fixed costs	-0.3	
	Decrease in general and administrative costs	3.0	Difference in inventories	-2.7	
	Difference in net interest expense	1.5			
		18.0		-12.0	
Consolidated subsidiaries	Advanced products business	0.9	European packaging materials business	-2.1	-2.4
	Japanese resin processing business	0.5	Others	-1.7	
		1.4		-3.8	
Equity-method affiliate					0.0

KUREHA

Analysis of Consolidated Recurring Income

(Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005 Interim (as est. in May)		FY2005 Interim		Change
Recurring income	KUREHA	31.0	84%	25.0	72%	6.0
	Consolidated subsidiaries	12.1	33%	13.0	38%	-0.9
	Equity-method affiliate	0.1	0%	0.0	0%	0.1
	Consolidated adjustments	-6.5	-18%	-3.5	-10%	-3.0
	Total	36.7	100%	34.5	100%	2.2

Reasons for earnings increase/decrease

	Reasons for increases		Reasons for decreases		Total
	Item	Amount	Item	Amount	
KUREHA	Higher sales volume	4.3	Decrease in unit sales price	-4.6	6.0
	Decrease in manufacturing fixed costs	3.0	Increase in unit cost of purchased products and raw materials	-2.3	
	Decrease in general and administrative expenses	6.3	Difference in inventories	-2.3	
	Difference in non-operating items	1.6			
		15.2		9.2	
Consolidated subsidiaries	Advanced products business	0.7	European packaging materials business	-2.3	-0.9
	Other business	0.8	Japanese resin processing business	-0.1	
		1.5		-2.4	
Equity-method affiliate	Rutgers Kureha Solvents GmbH	0.1			
		0.1			0.1

KUREHA

Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2005 Interim		FY2004 Interim		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary income	Income from sales of investment securities	8.7	5.2	7.2	7.2	1.5	-2.0
	Others	1.5	1.4	0.4	-	1.1	1.4
	Total	10.3	6.6	7.6	7.2	2.7	-0.6
Extraordinary losses	Retirement benefit expense	-	-	2.6	-	2.6	-
	Loss on elimination/sales of fixed assets	6.0	5.6	10.2	11.3	4.2	5.7
	Appraisal loss on fixed assets	2.9	-	-	-	-2.9	-
	Restructuring expenses	5.6	5.6	-	-	-5.6	-5.6
	Others	7.0	3.5	2.5	1.6	-4.5	-1.9
	Total	21.6	14.7	15.3	12.9	-6.3	-1.8

(Unit: 100 million yen)

		FY2005 Interim		FY2004 Interim		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	25	23	26	19	-1	4
	Increase/decrease in assets and liabilities	41	32	28	18	13	14
	Payments of corporation tax	-23	-13	-29	-21	6	8
	Other-net	-12	-1	-1	0	-11	-1
		31	41	24	16	7	25
Cashflow from investing activities		-55	-53	-57	-44	2	-9
Cashflow from financing activities		16	8	19	20	-3	-12
Effect of exchange rate changes on cash and cash equivalents		0	0	0	0	0	0
Increase in cash and cash equivalents upon change of fiscal year-end of consolidated subsidiaries		0	-	-4	-	4	-
Cash and cash equivalents at beginning of year		60	34	76	41	-16	-7
Net increase/decrease in cash and cash equivalents		-8	-4	-18	-8	10	4
Cash and cash equivalents at end of year		52	30	58	33	-6	-3

. **Estimates for the Financial Year ending March 2006**

Estimated Figure (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005(as est. in Nov)			FY2005(as est. in May)			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,370	850	1.6	1,400	850	1.6	-30	-2.1%	-	-
Operating income	115	66	1.7	115	66	1.7	-	-	-	-
Recurring income	105	65	1.6	105	65	1.6	-	-	-	-
Net income	52	35	1.5	52	32	1.6	-	-	3	9.4%

KUREHA

Estimated Figure (Comparison with previous year)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2005(as est. in Nov.)			FY2004			Increase/Decrease			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,370	850	1.6	1,304	802	1.6	66	5.1%	48	6.0%
Operating income	115	66	1.7	103	62	1.7	12	12.1%	4	7.2%
Recurring income	105	65	1.6	97	64	1.5	8	8.2%	0	0.3%
Net income	52	35	1.5	45	32	1.4	7	16.4%	3	10.5%

KUREHA

(Unit: 100 million yen)

	FY2005 (as est. in Nov.)			FY2004			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	143	117	1.2	120	91	1.3	23	19%	26	28%
Depreciation	80	60	1.3	76	58	1.3	4	5%	2	3%
R&D expenses	72	70	1.0	65	62	1.0	7	11%	8	13%
Interest-bearing debt	364	269	1.4	349	238	1.5	15	4%	31	13%
Net interest expense	1	9	-	0	9	-	1	-	1	11%
Employees	3,798	1,392	2.7	3,793	1,386	2.7	5	0%	6	0%

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit: 100 million yen)

		FY2005 (as est. in Nov.)	FY2005 (as est. in May)	Increase/ Decrease(Ratio)		FY2004	Increase/ Decrease(Ratio)		
Consolidated net sales	KUREHA	Carbon products	74	66	8	12%	71	3	5%
		Advanced plastics	127	126	1	1%	98	29	29%
		Others	38	41	-3	-8%	35	3	8%
		Total	239	233	6	3%	204	35	17%
	Consolidated subsidiaries	165	157	8	5%	109	56	51%	
	Eliminations	-74	-75	1	-	-62	-12	-	
Total		330	315	15	5%	252	78	31%	
Consolidated operating income		43	41	2	5%	32	11	35%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Chemicals

(Unit: 100 million yen)

			FY2005 (as est. in Nov.)	FY2005 (as est. in May)	Increase/ Decrease(Ratio)		FY2004	Increase/ Decrease(Ratio)	
Consolidated net sales	KUREHA	Industrial chemicals	100	96	4	4%	93	7	7%
		Agrochemicals	76	71	5	7%	73	3	4%
		Pharmaceuticals	97	96	1	1%	95	2	2%
	Total		273	263	10	4%	262	11	4%
	Consolidated subsidiaries		80	74	6	8%	80	0	0%
	Eliminations		-33	-32	-1	-	-32	-1	-
Totals			320	305	15	5%	310	10	3%
Consolidated operating income			39	33	6	18%	41	-2	-4%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Plastics

(Unit: 100 million yen)

		FY2005 (as est. in Nov.)	FY2005 (as est. in May)	Increase/ Decrease(Ratio)		FY2004	Increase/ Decrease(Ratio)		
Consolidated net sales	KUREHA	Food packaging materials	113	127	-14	-11%	118	-5	-4%
		Household products	198	204	-6	-3%	192	6	3%
		Fishing lines	14	14	0	0%	11	4	37%
		Others	13	9	4	39%	15	-2	-16%
	Total		338	354	-16	-5%	336	2	1%
	Consolidated subsidiaries		361	386	-25	-6%	410	-49	-12%
	Eliminations		-249	-235	-14	-	-239	-10	-
Total		450	505	-55	-11%	507	-57	-11%	
Consolidated net income		13	19	-6	-32%	9	4	49%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

			FY2005 (as est. in Nov.)	FY2005 (as est. in May)	Increase/ Decrease(Ratio)		FY2004	Increase/ Decrease(Ratio)	
Consolidated net sales	Environmental engineering business	74	76	-2	-3%	70	4	6%	
	Construction-related business	243	248	-5	-2%	224	19	9%	
	Transport and warehousing business	125	132	-7	-5%	123	2	1%	
	Trading	18	22	-4	-18%	16	2	16%	
	Others	13	13	0	0%	14	-1	-9%	
	Total	473	491	-18	-4%	447	26	6%	
	Eliminations	-203	-216	13	-	-211	8	-	
Total	270	275	-5	-2%	235	35	15%		
Consolidated operating income			21	23	-2	-9%	22	-1	-3%

KUREHA

(Unit: 100 million yen)

		FY2005(est. as of Nov.)		FY2004		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	90	58	81	55	9	3
	Increase/decrease in assets and liabilities	70	37	82	64	-12	-27
	Payments of corporation tax	-33	-21	-41	-27	8	6
	Other-net	-7	12	2	-1	-9	13
		120	86	124	91	-4	-5
Cashflow from investing activities		-104	-89	-96	-67	-8	-22
Cashflow from financing activities		-24	-9	-41	-31	17	22
Effect of exchange rate changes on cash and cash equivalents		0	0	0	0	0	0
Increase in cash and cash equivalents upon change of fiscal year-end of consolidated subsidiary		0	-	-4	-	4	-
Cash and cash equivalents at beginning of year		60	34	76	41	-16	-7
Net increase/decrease in cash and cash equivalents		-8	-12	-16	-7	8	-5
Cash and cash equivalents at end of year		52	22	60	34	-8	-12

- This material is presented to foster a deeper understanding of KUREHA CORPORATION and not for the purpose of soliciting investors.
- This material contains judgments based on information available to KUREHA CORPORATION at the time of compilation. Actual results may differ materially from forecasts due to a range of factors.
- Investors are asked to form their own judgments about, and take responsibility for use of this material.