



Kureha Corporation Reports Solid Interim Results

Results in line with projected forecasts

Tokyo, Japan – November 13, 2006 – Leading specialty chemicals and plastic products company, Kureha Corporation (“Kureha”), posted interim results for the period ended September 30, 2006 largely in line with forecasts announced by the company in May 2006. Matching projected figures, Kureha posted consolidated operating income of ¥2.94 billion and consolidated recurring income of ¥2.96 billion.

For the interim period, Kureha recorded consolidated sales of ¥63.1 billion, slightly ahead of the forecasted ¥63.0 billion and up from ¥62.1 billion during the same period last year. Consolidated net income was ¥1.28 billion, which also represented an increase on the projected figure of ¥1.0 billion. Kureha will pay an interim dividend of ¥4.5 per share.

Kureha President and Chief Executive Officer, Hiroshi Tanaka, said, “We are delighted to report solid interim results that are in line with our targets for the first half of fiscal 2006. These results come despite a very mixed operating environment during the first half of this fiscal year, which included several positives such as the growth of exports, increased private consumption and corporate capital spending on the back of steady economic recovery, as well as a number of continued challenges, not least the high oil price affecting many of our business lines. As a result of the solid interim performance we are now on track to meet our fiscal 2006 full year forecasts.”

Summary of financial performance

Summary of Consolidated interim-results

(¥ million, except where stated)

	Sept. 2006	Sept. 2005	Change (%)
Sales	63,091	62,141	1.5
Operating income	2,948	3,693	-20.2
Recurring income	2,962	3,672	-19.3
Net income	1,284	1,525	-15.8
Earnings per share (EPS) (¥)	6.94	8.23	-15.7

Major developments

***Kremezin* business development**

In April 2006, Kureha agreed a license contract with Conmed Pharmaceutical & Bio-Medical Corporation of Taiwan for the development and marketing rights in Taiwan of *Kremezin*, a therapeutic agent for chronic kidney disease. Later in the interim period, in June 2006, Kureha filed patent infringement and anti-competitive practice lawsuits against *Merckmezin*, a generic drug of *Kremezin*.

Kureha expects that *Kremezin* will maintain a stable sales trend and that future growth prospects remain positive. In November 2006, Kureha agreed a license contract with Mitsubishi Pharma Corporation for the development and marketing rights of *Kremezin* in the U.S. and Europe, where Phase III trials should be anticipated to begin in 2007.

Fire at Iwaki factory PPS plant

Early on the morning of September 7, 2006, a fire broke out at Kureha's PPS resin plant at the Iwaki Factory (Iwaki-city, Fukushima prefecture), forcing the company to halt PPS resin production for a total of 42 days. The fire was the result of an erroneous action followed by mechanical malfunction. Nobody was injured in the event and successful action was taken to prevent any drainage pollution. Production of PPS resin resumed on October 19. The impact of the fire on full fiscal 2006 earnings remains to be fully determined, although it is anticipated that it will be limited to several hundred million yen.

Business development in China

Kureha established a joint venture for production of PVDC compound (*Krehalon*) in Nantong in October 2005, with the company becoming an equity-method consolidated subsidiary from this fiscal year. In April 2006, Kureha also established Kureha Shanghai Trading Co., Ltd. and began full-scale business for household goods in China. Kureha's business in China has thus continued to gradually gain momentum.

Acquisition of stakes in construction related company

In August 2006, Kureha acquired stakes in Nishiki Kogyo Co., Ltd., a company with strengths in public construction works. Following this move, Kureha Construction Co. Ltd., strong in private construction works, merged with Nishiki Kogyo Co., Ltd. in October 2006. The new entity was named Kurehanishiki Construction Co., Ltd. and became a consolidated subsidiary of Kureha. The newly merged company will benefit from the economies of scale as a result of being able to cover both public and private construction projects and becomes one of the largest construction companies operating in Fukushima prefecture.

Operating highlights by division

Consolidated interim performance

(¥ million, except where stated)

Division		Sept. 2006	Sept. 2005	Change (%)
Advanced materials	Sales	16,654	14,999	11.0
	Operating income	1,619	1,646	-1.6
Specialty chemicals	Sales	13,859	14,960	-7.4
	Operating income	1,210	2,122	-43.0
Specialty plastics	Sales	22,825	21,964	3.9
	Operating income	195	(215)	-
Other operations	Sales	9,752	10,217	-4.6
	Operating income	369	423	-12.8
	Operating income Cancellations	(447)	(283)	-
Total	Sales	63,091	62,141	1.5
	Operating profit	2,948	3,693	-20.2

Advanced materials division

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

Consolidated sales for the advanced materials division rose by 11% year-on-year to ¥16.7 billion for the interim period, which also represented a 4% increase on the projected forecast of ¥16.0 billion. This growth was aided by the increase in sales of advanced plastics, which increased by 15% on a year-on-year basis. In addition, a strong performance was also recorded the subsidiary manufacturing metalized film for use of electric and electric materials. In line with forecasts, however, consolidated operating income for the division remained unchanged on a year-on-year basis. This is attributable to an increase in depreciation levels for the advanced plastics production capacity upgrade.

Advanced plastics

In April 2006 Kureha raised the Iwaki factory's production capacity for PPS resin, a super engineering plastic with a diverse range of applications, including in the electrical, electronic and automobile industries, from 7,500 to 10,000 tonnes per year. At Kureha's US joint venture, Fortron Industries LLC, production capacity was raised to 8,600 tonnes per year in December 2005, although the timing for full production fell behind the initial schedule. This delay, along with the fire at the PPS resin plant at the Iwaki factory and an increase in depreciation costs, meant that operating income decreased slightly. However, PVDF resin recorded stronger than expected sales due to growing demand for use in a wide variety of industrial applications, including lithium batteries.

Higher than anticipated sales of carbon products

Sales of carbon products again showed stronger than expected growth. Consolidated sales of ¥3.6 billion for the interim period represented a 12% rise on the projected figure of ¥3.2 billion. In particular, positive sales results were again recorded by carbon fibers for heat-resistance materials such as heat-treatment furnaces, though exports of bead-shaped activated carbon declined.

Outlook: Growth prospects for the advanced materials division remain stable with a continued strong performance by the carbon fiber and PVDF business offsetting the negative impact of the PPS plant fire. Divisional sales for the fiscal year ending March 2007 are estimated to be ¥34.0 billion, up from ¥31.6 billion during the previous year, while operating profits are expected to remain at ¥3.9 billion due to increased depreciation.

Specialty chemicals division

Major product areas – pharmaceuticals, agrochemicals, industrial chemicals

Operating income for the specialty chemicals division increased considerably in comparison with projected figures; the figure of ¥1.2 billion was 35% ahead of the projection of ¥0.9 billion. These results were aided by the improved profitability of industrial chemicals and by a delay in R&D spending. Consolidated sales for the division were slightly ahead of projected forecasts - ¥13.9 billion in comparison with the forecast of ¥13.8 billion - but were down from ¥15.0 billion recorded during the same period last year as a result of the official cut in drug prices, which came into effect in April 2006, and the decline of *Metconazole* export sales to the US following the one-off spike experienced during fiscal 2005.

Pharmaceuticals and agrochemicals faced decline in sales

Kureha recorded pharmaceutical product sales of ¥3.9 billion for the interim period, in line with projected forecasts. Sales of *Kremezin*, a therapeutic agent for chronic kidney disease, maintained previous levels, although sales of *Krestin*, a drug for cancer immunotherapy, declined. Sales of agrochemicals fell slightly below expectations, at ¥2.5 billion against the projected figure of ¥2.6 billion for the interim period, affected by a decline in export sales of *Metconazole*, a fungicide for cereal crops.

Further industrial chemical price rises achieved

Having achieved an upward price revision for caustic soda and other products in April 2006, Kureha recorded consolidated sales of industrial chemicals of ¥5.0 billion for the interim period ended September 30, 2006, which was 6% ahead of the projected figure of ¥4.7 billion. This result contributed to the stable sales performance and increased profitability of the overall specialty chemicals division.

Outlook: Sales of agrochemicals and pharmaceuticals are expected to be slightly lower than the figures projected in May 2006. However, with an increased sales volume of *Kremezin* expected to offset the lower price, overall divisional sales are anticipated to be ¥30.5 billion, a slight drop from the figure of ¥31.3 billion recorded during the previous fiscal year. The forecast for divisional operating profits has been raised slightly to ¥3.6 billion, up from ¥3.5 billion recorded during fiscal 2005.

Specialty plastics division

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

Consolidated operating income of ¥0.2 billion for the interim period for the specialty plastic division represented a strong year-on-year recovery, having recorded a loss of ¥0.2 billion during the same period last year. Consolidated sales for the division rose to ¥22.8 billion, up 4% on a year-on-year basis from ¥22.0 billion and 2% ahead of the projected forecast.

NEW Krewrap continues solid results

Overall sales of household products grew by 8% on a year-on-year basis and were slightly ahead of projections, reaching ¥10.1 billion for the interim period ended September 30, 2006. Contributing to the solid results for household products was a strong performance by *New Krewrap*. This was due to optimization of the retail price for the household wrapping film following product renewals in three consecutive years.

Krehalon for China showed improvement in profitability but Besela fell below targets

Consolidated sales of food packaging materials also outperformed expectations at ¥5.3 billion for the interim period, ahead of the projected figure of ¥5.1 billion. Sales of food packaging materials for commercial use including *Krehalon*, a high barrier PVDC film, declined. However, the increased profitability of European packaging materials subsidiaries following business restructuring and the improved profitability of the PVDC compound business in China contributed to solid earnings. Overseas business development of *Besela* remains slow paced and has so far failed to reach targets due to the slower-than expected pace of market cultivation for retort foods in Europe.

Lower than expected sales of high-margin fishing line

Sales of the *Seaguar* fishing line series were lower than anticipated during the interim period, but are expected to rise due to a portion of sales being held until the second half of the year.

Outlook: Profitability of *New Krewrap* is expected to remain stable following retail price optimization efforts. *Seaguar* product sales are expected to increase in the remainder of fiscal 2006 and contribute to full year results. Overall divisional sales for the full fiscal 2006 are expected to improve from the fiscal 2005 figure of ¥45.3 billion to ¥46.5 billion, while divisional operating profits are estimated to show strong improvement, rising from the fiscal 2005 figure of ¥0.6 billion to ¥2.4 billion.

Other operations division

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

The other operations division recorded consolidated sales of ¥9.8 billion, slightly behind projected forecast of ¥10.9 billion, while operating profit for the division remained unchanged on a year-on-year basis at ¥0.4 billion.

Environmental engineering sales grow year-on-year

During the interim period ended September 30, 2006, businesses relating to the treatment of industrial waste performed relatively well but the medical waste processing business declined. Consolidated sales for environmental engineering businesses increased to ¥2.7 billion, in comparison to ¥2.5 billion recorded during the corresponding interim period last year.

Construction related business declined

Consolidated sales for construction related business were ¥7.6 billion, down from ¥7.8 billion on a year-on-year basis, but are expected to grow following the acquisition of stakes in Nishiki Kogyo Co., Ltd.

Transport and warehousing business sales increase

Consolidated sales for the transport and warehousing business were slightly ahead of expectations at ¥6.2 billion, up 2% from ¥6.0 billion on a year-on-year basis. However, profitability of the business declined during the interim period due to continuing high oil prices.

Outlook: Following the merger of Kureha Construction Co., Ltd. with Nishiki Kogyo Co., Ltd. in October 2006, sales of construction related businesses are expected to expand. Kureha's aim for the remainder of fiscal 2006 and beyond is to reduce costs for the division in order to leverage increased sales with improved profitability. Divisional sales are expected to expand to ¥34.0 billion, up from ¥27.5 billion during fiscal 2005, while operating profits are estimated to improve to ¥2.4 billion, up from ¥2.1 billion.

Capex, depreciation and R&D

Consolidated capital expenditure, depreciation and R&D

	Sept. 2006	Sept. 2005	Fiscal 2006 (forecast)
	(¥ billion)		
Capital expenditure	5.4	5.7	12.0
Depreciation	4.3	3.8	8.9
R&D	3.1	3.2	7.0

During the interim period ended September 30, 2006, Kureha's consolidated capital expenditure was slightly lower than during the corresponding period in fiscal 2005. At the same time, consolidated depreciation costs increased due to the PPS production capacity upgrade and power plant renewal.

For the full fiscal year ending March 2007, overall capital expenditure levels are expected to remain at ¥12.0 billion, while depreciation levels are expected to continue to weigh upon profitability.

Summary outlook for fiscal 2006 and beyond

The consolidated sales forecast for the full fiscal year ending March 2007 has been raised from ¥142 billion, as projected in May 2006, to ¥145 billion as a result of the solid interim performance and the establishment of Kurehanishiki Construction Co., Ltd pushing up sales. Profit forecasts for the fiscal year remain unchanged from previous projections, with operating income expected to grow by approximately 24% year-on-year to ¥12 billion and net income expected to increase by approximately 10% to ¥5.7 billion.

Summary of consolidated financial forecasts

(¥ million, except where stated)

	Fiscal 2006 (Forecasts)	Fiscal 2005	Change (%)
Sales	145,000	135,627	6.9
Operating income	12,000	9,708	23.6
Recurring income	11,500	9,185	25.2
Net income	5,700	5,171	10.2
Earnings per share (EPS) (¥)	30.87	27.61	11.8

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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 2006 and 2005

	¥ millions	
	Sept. 2006	Sept. 2005
Assets		
Current assets	65,236	60,630
Cash and cash equivalents	4,397	5,150
Fixed assets	124,301	112,841
Property, plant and equipment	70,549	69,985
Intangible assets	1,568	2,049
Investments and other assets	52,184	40,806
Total Assets	189,555	173,471
Liabilities and Shareholders' Equity		
Current liabilities	59,631	57,556
Short-term borrowings	21,839	26,048
Long-term liabilities	27,714	22,781
Long-term liabilities	9,771	11,882
Total Liabilities	87,345	80,338
Minority Interest	861	720
Shareholders' Equity	102,210	92,413
Total Liabilities, Minority Interests and Shareholders' Equity	189,555	173,471

Condensed interim consolidated statement of income

For the fiscal years ended 30 September 2006 and 2005

	¥ millions	
	Sept. 2006	Sept. 2005
Sales	63,091	62,141
Cost of goods sold	45,738	44,346
Selling, general and administrative expenses	14,405	14,101
Operating income	2,948	3,693
Non-operating income	719	593
Non-operating expenses	706	614
Recurring income	2,962	3,672
Extraordinary gains	1,319	1,025
Extraordinary losses	2,299	2,155
Income before income taxes	1,982	2,542
Taxes and minority interest adjustments	697	1,016
Net income	1,284	1,525



Interim Results for the Financial Year Ending March 31, 2007

November 14, 2006

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I. Major Events (April 06 – November 06)

KUREHA CORPORATION

1. General

Apr. 06 Upgraded utility supply facility and launched new power plant (generating 43000KW of power)

Apr. 06 Completed modifier inspection by US Legal Department

2. Advanced Materials

Apr. 06 Raised production capacity at PPS plant at the Iwaki factory to 10,000t/year

Jun. 06 Began construction measures at Iwaki factory to raise carbon textile materials production capacity (slated for completion by Dec. 06)

Sep. 06 Fire broke out at the PPS plant at the Iwaki factory early on the morning of September 7th. Production resumed from October 19th

3. Specialty Chemicals

Apr. 06 Announced price revision of caustic soda

Apr. 06 Agreed license contract with Conmed Pharmaceutical & Bio-Medical Corporation(Taiwan) on development and commercialization rights for kidney disease application of “Kremezin” in Taiwan

Jun. 06 Filed patent infringement lawsuit and anti-competitive lawsuit against “Merckmezin” (generic drug of “Kremezin”)

Oct. 06 Announced price revision of liquid chlorine

Nov. 06 Agreed license contract with Mitsubishi Pharma Corporation on development and commercialization rights for kidney disease application of “Kremezin” in the U.S. and Europe

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

5. Other Operations

Aug. 06 Acquired stake in Nishiki Kogyo Co., Ltd. with the purpose of creating Kureha subsidiary

Oct. 06 Kureha Construction Co. Ltd. and Nishiki Kogyo Co., Ltd. merged and renamed Kurehanishiki Construction Co. Ltd.

KUREHA

2. Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006 Interim		FY2005 Interim		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
KUREHA CORPORATION		394	1,499	393	1,387	1	112
Nishiki Trading Co., Ltd.(plus 1 group company)		154	136	141	122	13	14
Advanced Materials	KUREHA CORPORATION	119	-	110	-	9	-
	Nishiki Trading Co., Ltd. (plus 1 group company)	47	-	39	-	8	-
	Kakogawa Plastics Co., Ltd.	18	22	14	21	4	1
	Kureha GmbH	10	9	8	7	2	2
	Kureha America Inc.	13	46	11	35	2	11
	Kureha Chemicals Shanghai Co., Ltd.	3	7	3	8	0	-0
	Consolidation adjustments	-44	-	-35	-	-	-
Total		167	-	150	-	17	-
Specialty Chemicals	KUREHA CORPORATION	113	-	125	-	-12	-
	Nishiki Trading Co., Ltd.	40	-	40	-	0	-
	Consolidation adjustments	-15	-	-15	-	-	-
Total		139	-	150	-	-11	-
Specialty Plastics	KUREHA CORPORATION	162	-	158	-	4	-
	Nishiki Trading Co., Ltd.	55	-	53	-	2	-
	Kureha Gosen Co., Ltd.	15	26	15	24	-1	2
	Kureha Plastics Co., Ltd.	61	72	60	72	1	-0
	Kureha Extech Co., Ltd.	14	18	14	18	1	0
	Krehalon Industrie B.V.	25	45	20	36	6	9
	Four other froup companies in Europe handling food packaging	17	22	22	26	-5	-4
	Consolidation adjustments	-121	-	-122	-	-	-
Total		228	-	220	-	9	-

KUREHA

Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006 Interim		FY2005 Interim		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other Operations	Kureha Environmental Engineering Co., Ltd.	21	47	19	46	2	2
	Kureha Special Laboratory Co., Ltd.	7	6	6	5	0	0
	Kureha Engineering Co., Ltd.	47	71	41	45	6	26
	Kureha Construction Co., Ltd. (plus 3 group companies)	30	64	37	55	-7	9
	Kureha Unyu Co., Ltd. (plus 6 group companies)	62	68	60	58	1	10
	Nishiki Trading Co., Ltd.	11	-	9	-	2	-
	Kureha Service Co., Ltd. (plus 1 group company)	6	66	7	66	-1	0
	Kureha Staff Service Co., Ltd.	9	4	8	3	2	1
	Consolidated adjustment	-95	-	-85	-	-	-
	Total	98	-	102	-	-5	-
	(Number of consolidated companies)	(32)		(33)		(-1)	
	Consolidated Total	631	1,896	621	1,735	10	161
Equity-method affiliates	RUTGERS KUREHA SOLVENTS GmbH	11		11			
	Nantong SKT New Material Co., Ltd.	14		-			

*Reduction in number of consolidated companies

Kureha Corporation of America was merged with Kureha KPS, Inc. and renamed Kureha America Inc. as of January 1, 2006.

(Note) Kureha Construction Co., Ltd. was merged with Nishiki Kogyo Co., Ltd. and renamed Kurehanishiki Construction Co., Ltd. as of October 3, 2006.

Kureha Staff Service Co., Ltd. (former group company of Kureha Environmental Engineering Co., Ltd.) changed their Japanese name.

KUREHA

3. Interim Results for the Financial Year 2006

Financial Highlights

(Comparison with same period in FY2005)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2006 Interim			FY2005 Interim			Increase/Decrease (Ratio)			
	Consolidated	consolidated	Ratio	Consolidated	consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	631	394	1.6	621	393	1.6	10	1.5%	1	0.3%
Operating income	29	19	1.6	37	27	1.3	-7	-20.2%	-9	-31.4%
Recurring income	30	24	1.2	37	31	1.2	-7	-19.3%	-7	-21.0%
Net income	13	8	1.7	15	15	1.0	-2	-15.8%	-8	-49.8%
Total assets	1,896	1,499	1.3	1,735	1,387	1.3	-	-	-	-
Shareholders' equity	* 1,022	930	1.1	924	868	1.1	-	-	-	-
Net income per share(yen)	6.94	4.19	1.7	8.23	8.3	1.0	-	-	-	-
Shareholders' equity per share(yen)	548.88	503.73	1.1	505.60	472.75	1.1	-	-	-	-
Equity ratio	% 53.5	% 62.0	0.9	% 53.3	% 62.6	0.9	% -	% -	% -	% -

* 101.3 billion yen –based on former standards of accounting

KUREHA

Financial Highlights (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY 2006 Interim			FY2006 Interim (as est. in May)*			Increase/Decrease(Ratio)			
	Consolidated	consolidated	Ratio	Consolidated	consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	631	394	1.6	630	385	1.6	1	0.1%	9	2.3%
Operating income	29	19	1.6	30	18	1.7	-1	-1.7%	1	4.3%
Recurring income	30	24	1.2	30	20	1.5	-0	-1.3%	4	22.4%
Net income	13	8	1.7	10	6	1.7	3	28.4%	2	29.2%
Total assets	1,896	1,499	1.3	-	-	-	-	-	-	-
Shareholders' equity	* 1,022	930	1.1	-	-	-	-	-	-	-
Net income per share(yen)	6.94	4.19	1.7	-	-	-	-	-	-	-
Shareholders' equity per share(yen)	548.88	503.73	1.1	-	-	-	-	-	-	-
Equity ratio	% 53.5	% 62.0	0.9	% -	% -	-	% -	-	% -	-

*Disclosed as of May 16, 2006

KUREHA

Key Indicators (Comparison with same period in FY2005)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2006 Interim			FY2005 Interim			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	54	38	1.4	57	44	1.3	-3	-6%	-6	-14%
Depreciation	43	35	1.2	38	30	1.3	5	12%	5	17%
R&D expenses	31	29	1.1	32	31	1.0	-1	-3%	-2	-6%
Interest-bearing debt	366	256	1.4	379	272	1.4	-13	-3%	-16	-6%
Net interest expense	1	9	-	1	6	-	-1	-	3	-
Exchange rate(US \$)	115.5			109.3			6			
Employees	3,745	1,346	2.8	3,806	1,395	2.7	-61	-2%	-49	-4%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit: 100 million yen)

		FY2006 Interim		Increase/Decrease(Ratio)		FY2005 Interim	Increase/Decrease(Ratio)		
		Results	Estimates						
Consolidated net sales	KUREHA	Carbon products	36	32	4	12%	39	-3	-9%
		Advanced plastics	64	63	1	2%	56	8	15%
		Others	19	17	2	13%	15	4	29%
		Total	119	111	8	7%	110	9	8%
	Consolidated subsidiaries	91	85	6	7%	75	16	21%	
	Eliminations	-44	-36	-8	-	-35	-9	-	
Total		167	160	7	4%	150	17	11%	
Consolidated operating income		16	16	0	1%	16	0	-2%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Chemicals

(Unit: 100 million yen)

		FY2006 Interim		Increase/		FY2005 Interim	Increase/		
		Results	Estimates	Decrease	(Ratio)		Decrease	(Ratio)	
Consolidated net sales	KUREHA	Industrial chemicals	50	47	3	6%	48	1	2%
		Agrochemicals	25	26	-1	-6%	31	-7	-21%
		Pharmaceuticals	39	39	-0	-1%	45	-6	-14%
		Total	113	112	1	1%	125	-12	-9%
	Consolidated subsidiaries	40	40	0	1%	40	1	1%	
	Eliminations	-15	-14	-1	-	-15	0	-	
Total		139	138	1	0%	150	-11	-7%	
Consolidated operating income		12	9	3	35%	21	-9	-43%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Plastics

(Unit: 100 million yen)

			FY2006 Interim		Increase/ Decrease(Ratio)		FY2005 Interim	Increase/ Decrease(Ratio)	
			Results	Estimates					
Consolidated net sales	KUREHA	Food packaging materials	53	51	2	3%	54	-2	-3%
		Household products	101	100	1	1%	94	7	8%
		Fishing lines	3	6	-3	-48%	5	-2	-41%
		Others	5	5	0	0%	5	0	3%
	Total		162	162	-0	0%	158	4	2%
	Consolidated subsidiaries		187	182	5	3%	184	4	2%
	Eliminations		-121	-121	0	-	-122	1	-
Total		228	223	5	2%	220	9	4%	
Consolidated operating income			2	6	-4	-	-2	4	-

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

		FY2006 Interim		Increase/		FY2005 Interim	Increase/	
		Results	Estimates	Decrease	(Ratio)		Decrease	(Ratio)
Consolidated net sales	Environmental engineering business	27	29	-2	-5%	25	2	8%
	Construction-related business	76	78	-2	-2%	78	-2	-2%
	Transport and warehousing business	62	61	1	1%	60	1	2%
	Trading	11	10	1	12%	9	2	23%
	Others	15	14	1	9%	14	0	0%
	Total	192	192	0	0%	187	5	3%
	Eliminations	-95	-83	-12	-	-85	-10	-
Total	98	109	-11	-11%	102	-5	-5%	
Consolidated operating income		4	2	2	85%	4	-1	-13%

KUREHA

Balance Sheets

KUREHA CORPORATION

1. Assets (Unit: 100 million yen)

	As of Sep. 30, 2006		As of March 31, 2006		Increase/Decrease		(Ref.)As of Sep. 30, 2005	
	Consolidated	No-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	44	26	65	46	-21	-19	52	30
Accounts and notes receivable-trade	322	195	340	200	-18	-5	289	184
Inventories	229	141	204	141	25	0	197	129
Other current assets	58	77	58	78	-1	-0	69	91
Sub total	652	439	667	463	-15	-24	606	435
Property, plant and equipment	705	513	709	521	-3	-8	700	500
Intangible assets	16	13	18	15	-2	-2	20	17
Total investments and other assets	522	535	458	477	64	58	408	435
Sub total	1,243	1,060	1,185	1,013	58	48	1,128	953
Total	1,896	1,499	1,852	1,476	44	23	1,735	1,387

2. Liabilities and Net Assets (Unit: 100 million yen)

	As of Sep. 30, 2006		As of March 31, 2006		Increase/Decrease		(Ref.)As of Sep. 30, 2005	
	Consolidated	No-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable-trade	199	92	194	89	5	3	154	69
Interest-bearing debt	366	256	354	254	12	2	379	272
Reserves	50	17	55	19	-4	-2	56	19
Other liabilities	258	204	253	202	4	2	214	158
Sub total	873	569	856	564	17	5	803	519
Common stock	125	125	125	125	-	-	125	125
Capital reserve	100	102	98	102	2	0	99	97
Valuation and translation adjustment	139	126	117	103	21	23	91	85
Other retained earnings	650	578	643	583	7	-5	610	561
Sub total	1,013	930	984	912	30	18	924	868
Minority interests	9	-	12	-	-4	-	7	-
Total	1,896	1,499	1,852	1,476	44	23	1,735	1,387

KUREHA

Analysis of Recurring Income (Comparison with same period in FY 2005)

KUREHA CORPORATION

		FY2006 Interim		FY2005 Interim		Change
Recurring income	KUREHA	24.5	83%	31.0	84%	-6.5
	Consolidated subsidiaries	16.0	54%	12.1	33%	3.8
	Equity-method affiliates	1.1	4%	0.1	0%	1.1
	Consolidation adjustments	-12.0	-40%	-6.5	-18%	-5.5
	Total	29.6	100%	36.7	100%	-7.1

Reasons for earnings increase/decrease

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
KUREHA	Increased sales volume	7.0	Decreased sales volume	-14.5	
	Increased unit sales price	12.0	Decreased unit sales price	-3.0	
	Reduced Direct marketing costs	2.1	Decreased unit cost of fuel	-8.3	
	Differing inventories levels	2.8	Increased manufacturing fixed costs	-4.7	
	Differing net interest expense	3.4	Increased general and administrative costs	-2.0	
			Others	-1.3	
		27.3	-33.8	-6.5	
Consolidated subsidiaries	European packaging materials business	3.1			
	Others	0.7			
		3.8			3.8
Equity-method affiliates	Nantong(China)	1.1			1.1
Consolidated adjustments			Adjustments of dividends from subsidiaries	-5.5	-5.5

KUREHA

Analysis of Recurring Income (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006 Interim (as est. in May)		FY2006 Interim		Change
Recurring income	KUREHA	24.5	83%	20.0	67%	4.5
	Consolidated subsidiaries	16.0	54%	16.0	53%	0.0
	Equity-method affiliates	1.1	4%	0.6	2%	0.5
	Consolidated adjustments	-12.0	-41%	-6.6	-22%	-5.4
	Total	29.6	100%	30.0	100%	-0.4

Reasons for earnings increase/decrease

	Reasons for increases		Reasons for decreases		Total
	Item	Amount	Item	Amount	
KUREHA	Increased sales volume	7.0	Decreased sales volume	-5.5	4.5
	Increased unit price	0.9	Increased unit price of raw materials	-2.7	
	Reduced manufacturing fixed costs	1.1	Differing specific productivity	-3.3	
	Reduced general and administrative costs	7.0	Differing inventories level	-2.5	
	Improved financial balance	3.0	Increased direct marketing costs	-0.5	
		19.0		-14.5	
Consolidated subsidiaries	European packaging materials business	1.6	Advanced materials	-1.7	0.0
	Service, construction, and other businesses	4.5	Domestic resin processing business	-1.6	
			Environmental related business	-2.8	
		6.1		-6.1	
Equity-method affiliates	Nantong(China)	0.5			0.5
Consolidation adjustments			Adjustments of dividends from subsidiaries	-5.4	-5.4

KUREHA

Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006 Interim		FY2005 Interim		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary income	Income from sales of investment securities	8.3	3.3	8.7	5.2	-0.4	1.9
	Gain on sales of fixed assets	4.2	1.3	1.2	1.2	3.0	-0.1
	Others	0.6	0.1	0.3	0.2	0.3	0.2
	Total	13.2	4.6	10.3	6.6	2.9	-2.0
Extraordinary losses	Loss on elimination/sale of fixed assets	16.4	15.7	6.0	5.6	-10.4	-10.1
	Appraisal loss on inventories	3.4	3.4	-	-	-3.4	-3.4
	Appraisal loss on fixed assets	-	-	2.9	-	2.9	-
	Restructuring expenses	-	-	5.6	5.6	5.6	5.6
	Others	3.2	0.5	7.0	3.5	3.8	3.0
	Total	23.0	19.6	21.6	14.7	-1.4	-4.9

KUREHA

Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006 Interim		FY2005 Interim		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	63	44	64	52	-1	-8
	Increase/decrease in assets and liabilities	-6	-3	3	-2	-9	-1
	Payments of corporation tax	-28	-15	-23	-13	-5	-2
	Other-net	-7	10	-13	4	6	6
		22	36	31	41	-9	-5
Cashflow from investing activities		-53	-45	-55	-53	2	8
Cashflow from financing activities		10	-10	16	8	-6	-18
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	-	0	-
Cash and cash equivalents at beginning of year		65	46	60	34	5	12
Net increase/decrease in cash and cash equivalents		-21	-19	-8	-4	-13	-15
Cash and cash equivalents at end of year		44	27	52	30	-8	-3

KUREHA

4. Estimates for the Financial Year ending March 2006

Estimated Figures (Comparison with estimates from May)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2006(as est. in Nov)			FY2006(as est. in May)			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,450	840	1.7	1,420	840	1.7	30	2.1%	0	-
Operating income	120	68	1.8	120	68	1.8	0	-	0	-
Recurring income	115	70	1.6	115	70	1.6	0	-	0	-
Net income	57	38	1.5	57	38	1.5	0	-	0	-

KUREHA

Estimated Figures (Comparison with previous year)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2006(as est. in Nov.)			FY2005			Increase/Decrease			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,450	840	1.7	1,356	818	1.7	94	6.9%	22	2.7%
Operating income	120	68	1.8	97	59	1.6	23	23.6%	9	15.1%
Recurring income	115	70	1.6	92	61	1.5	23	25.2%	9	14.4%
Net income	57	38	1.5	52	37	1.4	5	10.2%	1	1.6%

KUREHA

Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2006 (as est. in Nov.)			FY2005			Increase/Decrease(Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	120	99	1.2	120	109	1.1	0	0%	-10	-9%
Depreciation	89	73	1.2	79	62	1.3	10	13%	11	18%
R&D expenses	70	66	1.1	74	71	1.0	-4	-5%	-5	-7%
Interest-bearing debt	350	260	1.3	354	254	1.4	-4	-1%	6	2%
Net interest expense	0	11	-	1	10	-	-1	-	1	10%
Employees	3,797	1,303	2.9	3,746	1,349	2.8	51	1%	-46	-3%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit: 100 million yen)

		FY2006 (as est. in Nov.)	FY2006 (as est. in May)	Increase/ Decrease(Ratio)		FY2005	Increase/ Decrease(Ratio)		
Consolidated net sales	KUREHA	Carbon products	71	66	5	8%	77	-6	-8%
		Advanced plastics	137	148	-11	-7%	118	19	16%
		Others	44	42	2	5%	37	7	19%
		Total	252	256	-4	-2%	232	20	9%
	Consolidated subsidiaries	174	180	-6	-3%	163	11	7%	
	Eliminations	-86	-86	0	-	-79	-7	-	
	Total	340	350	-10	-3%	316	24	8%	
Consolidated operating income		39	45	-6	-13%	39	0	0%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Chemicals

(Unit: 100 million yen)

		FY2006 (as est. in Nov.)	FY2006 (as est. in May)	Increase/ Decrease(Ratio)		FY2005	Increase/ Decrease(Ratio)		
Consolidated net sales	KUREHA	Industrial chemicals	98	94	4	4%	97	1	1%
		Agrochemicals	69	71	-2	-3%	73	-4	-5%
		Pharmaceuticals	89	91	-2	-2%	93	-4	-4%
		Total	256	256	0	0%	263	-7	-3%
		Consolidated subsidiaries	80	83	-3	-4%	81	-1	-1%
		Eliminations	-31	-29	-2	-	-31	0	-
		Total	305	310	-5	-2%	313	-8	-3%
Consolidated operating income		36	35	1	3%	35	1	3%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Plastics

(Unit: 100 million yen)

		FY2006 (as est. in Nov.)	FY2006 (as est. in May)	Increase/ Decrease(Ratio)		FY2005	Increase/ Decrease(Ratio)		
Consolidated net sales	KUREHA	Food packaging materials	105	105	0	0%	104	1	1%
		Household products	204	200	4	2%	193	11	6%
		Fishing lines	15	15	0	0%	14	1	7%
		Others	8	8	0	0%	12	-4	-33%
		Total	332	328	4	1%	323	9	3%
		Consolidated subsidiaries	374	378	-4	-1%	373	1	0%
		Eliminations	-241	-241	0	-	-243	2	-
	Total	465	465	0	0%	453	12	3%	
Consolidated net income		24	22	2	9%	6	18	295%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

		FY2006 (as est. in Nov.)	FY2006 (as est. in May)	Increase/ Decrease(Ratio)		FY2005	Increase/ Decrease(Ratio)	
Consolidated net sales	Environmental engineering business	62	62	0	0%	60	2	3%
	Construction-related business	306	260	46	18%	252	54	21%
	Transport and warehousing business	126	124	2	2%	124	2	2%
	Trading	20	20	0	0%	20	0	0%
	Others	31	29	2	7%	29	2	7%
	Total	545	495	50	10%	484	61	13%
	Eliminations	-205	-200	-5	-	-209	4	-
Total	340	295	45	15%	275	65	24%	
Consolidated operating income		24	21	3	14%	21	3	14%

KUREHA

Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2006(est. as of Nov.)		FY2005		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from operating activities	Pre-depreciation profit	189	131	157	117	32	14
	Increase/decrease in assets and liabilities	-32	-29	11	8	-43	-37
	Payments of corporation tax	-33	-20	-41	-21	8	1
	Other-net	11	16	-15	-5	26	21
		135	98	113	99	22	-1
Cashflow from investing activities		-120	-101	-96	-69	-24	-32
Cashflow from financing activities		-16	-16	-11	-19	-5	3
Effects 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		-	-	0	-	0	-
Cash and cash equivalents at beginning of year		65	46	60	34	5	12
Net increase/decrease in cash and cash equivalents		-1	-19	5	11	-6	-30
Cash and cash equivalents at end of year		64	27	65	46	-1	-19

KUREHA

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