

Kureha Corporation Reports Growth in Profits for Interim Period Ended September 2007

Tokyo, Japan – November 12, 2007 – Leading specialty chemicals and plastic products company, Kureha Corporation (“Kureha”), posted consolidated operating income of ¥4.86 billion for the interim period ended September 30, 2007, a year-on-year increase of 64.9%, and consolidated recurring income of ¥4.93 billion, an increase of 66.6%. Consolidated sales rose by 6.5% to ¥67.16 billion, while net income rose to ¥1.30 billion, up by 1.4% year-on-year.

Despite Kureha having revised upwards its forecasts for the interim period in August, reported sales and operating income were both significantly higher than previous projections, largely due to a stronger than expected performance by the specialty chemicals division. Reflecting the strong overall performance, Kureha will increase its interim dividend from ¥4.5 to ¥5.0 per share.

Kureha President and Chief Executive Officer, Takao Iwasaki, said, “We are delighted to report such strong interim results, which are ahead of previous predictions for the period and come despite continued challenges in the company’s operating environment, including of course the continued rising price of crude oil. These results again validate the steps taken under the mid-term business plan to radically redefine the way we approach our business. As a result, we remain on course to meet forecasted targets for the full fiscal year and to continue growing our business in the coming years.”

Summary of consolidated interim-results

(¥ million, except where stated)

	Sept. 2007	Sept. 2006	Change (%)
Sales	67,163	63,091	6.5
Operating income	4,861	2,948	64.9
Recurring income	4,934	2,962	66.6
Net income	1,302	1,284	1.4
Earnings per share (EPS) (¥)	7.10	6.94	2.3

Accounting practice changes

As a result of changes in accounting practices for the calculation of depreciation due to taxation changes, Kureha recorded additional operating costs totaling ¥420 million during the interim period. This included ¥80 million as a result of changes in the method of calculating depreciation ratio and further ¥340 million following changes to the method of recording residual value for fixed assets with five years depreciation remaining. However, Kureha was able to offset the impact of these changes and record an increase in consolidated operating income during the interim period. For the full fiscal year, the impact of accounting practice changes on operating income is expected to total ¥840 million.

Consolidated interim performance

(¥ million, except where stated)

Division		Sept. 2007	Sept. 2006	Change (%)
Advanced materials	Sales	18,825	16,654	13
	Operating income	2,105	1,619	30
Specialty chemicals	Sales	15,570	13,859	12
	Operating income	1,945	1,210	61
Specialty plastics	Sales	24,116	22,825	6
	Operating income	1,060	195	444
Other operations	Sales	8,649	9,752	-11
	Operating income	-38	369	-
	Cancellations	-	(447)	-
Total	Sales	67,163	63,091	6.5
	Operating profit	4,861	2,948	64.9

Performance by division

Advanced materials division

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

Consolidated sales for the advanced materials division rose by 13% year-on-year to ¥18.8 billion for the interim period, while operating income for the division was up by 30% to ¥2.1 billion (after offsetting the impact of a ¥90 million adjustment due to changes to accounting practices for depreciation). The production of core products at increased capacity levels contributed to the buoyant results, following Kureha's successful efforts to raise production capacity levels during previous years.

Advanced plastics experiencing significant growth

Sales of advanced plastics increased from ¥6.4 billion to ¥8.0 billion, up 24% year-on-year, representing a significant contribution to the positive divisional results. The performance of PPS resin was a key factor in these results, having experienced strong demand for use in auto-related applications. Domestic PPS production is now in full operation at increased capacity levels and, as of October 2007, necessary construction measures have been completed to also raise production capacity at Fortron Industries' PPS plant in the U.S. from 8,600 tonnes per year to 15,000 tonnes per year. As a result, Kureha's global PPS production capacity has now reached 25,000 tonnes per year and is capable of meeting the anticipated high levels of demand. In addition, PVDF resin recorded strong sales on the back of growing demand for use in lithium ion secondary batteries for PCs and cell phones.

Sales of carbon products remain constant

Sales of carbon products remained unchanged from the previous interim period at ¥3.6 billion. Carbon fibers for heat-resistance materials such as heat-treatment furnaces again recorded strong sales, following particularly strong demand for use in solar batteries and semiconductor wafers. However, this was offset by a decline in export sales of activated carbon following a decrease in demand.

Outlook: The advanced materials division's growth prospects for the fiscal year ending March 2008 remain relatively strong. Divisional operating income is expected to be ¥4.5 billion (after offsetting the impact of a ¥190 million depreciation related adjustment) and sales ¥38.0 billion, up from ¥4.3 billion and ¥35.1 billion respectively during the fiscal year ended March 2007.

Specialty chemicals division

Major product areas – pharmaceuticals, agrochemicals, industrial chemicals

The specialty chemicals division recorded sales of ¥15.6 billion, up 12% year-on-year, owing to a higher than anticipated increase in export demand for Metconazole, a fungicide for oilseed rape and wheat. Divisional operating profit increased by 61% to ¥1.9 billion (after offsetting the impact of a ¥120 million depreciation related adjustment). These results were also aided by strong domestic sales of Kremezin, a therapeutic agent for chronic kidney disease, and the increased profitability of industrial chemical products following successful efforts to raise prices during the previous fiscal year.

Industrial chemicals benefit from product price increases

Industrial chemicals recorded sales of ¥5.1 billion for the interim period, a 3% increase year-on-year, as well as a slight increase in profitability having benefited from successful efforts during the fiscal year ended March 2007 to transfer increased raw material costs to product prices.

Agrochemical sales ahead of targets

Sales of agrochemicals for the interim period were ¥2.9 billion, 18% higher than during the same period last year and significantly stronger than the revised forecast announced in August. Kureha saw particularly strong demand from Europe for bulk shipments of Metconazole, which also resulted in additional royalty revenues for the product and therefore also contributed to divisional operating income.

Pharmaceuticals continue to report solid results

Favorable sales of Kremezin during the interim period countered a decline in sales of Krestin, a drug for cancer immunotherapy, and contributed to overall pharmaceutical products sales of ¥4.4 billion, an increase of 12%. In addition, Phase III clinical trials for Kremezin in the U.S. are now being undertaken by Mitsubishi Pharma Corporation, following the agreement with Kureha during the previous fiscal year on development rights for kidney disease applications in the U.S. and Europe.

Outlook: Overall divisional sales are expected to be ¥31.0 billion for the full fiscal year, up from the May forecast of ¥29.5 billion partly due to stronger export sales of Metconazole. Projected operating income remains unchanged at ¥2.9 billion (after offsetting the impact of a ¥240 million depreciation related adjustment).

Specialty plastics division

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

Sales for the specialty plastics division increased by 6% to ¥24.1 billion, while operating income for the division rose to ¥1.1 billion (after offsetting the impact of a ¥160 million depreciation related adjustment), representing a year-on-year increase of 444%. Contributing to the growth in divisional earnings was NEW Krewrap following stable pricing trends at the retail level, PVDC compound following continued strong Chinese demand for the product, and sales of machinery for auto-seal food packaging, used to manufacture clip-free food packaging materials for sausages and other products.

NEW Krewrap continues solid earnings

Sales of household products grew by 5%, reaching ¥10.6 billion for the interim period. NEW Krewrap was a key contributor to both sales and profit growth, following continued efforts to renew and upgrade packaging design and functionality, which resulted in the product being presented with the 2006 Good Design Award, and to ensure that these efforts are reflected retail price. In addition, a shift to longer-length wrapping products ensured that increased costs for raw materials used in packaging did not impact overall profitability.

Chinese demand for PVDC compound continues to grow

Sales of food packaging materials also increased for the interim period, up by 5% year-on-year to ¥5.5 billion, largely due to continued strong demand from China for PVDC compound used in packaging materials for food products including sausages.

Sales growth at European subsidiaries

Sales of ML40, a multilayer shrinkable film for meats and cheeses, at European subsidiaries continued to demonstrate stable growth, further contributing to divisional performance.

Seaguar products rebound following voluntary recall

Kureha issued a voluntary recall of some Seaguar series fishing line products from distributors in June 2007, following the discovery of a non-critical defect to fishing line materials. However, overall sales of Seaguar series products rose by 79% during the interim period to ¥0.6 billion.

Outlook: For the full fiscal year, divisional sales are forecast to increase to ¥51.0 billion, up from ¥48.4 billion recorded during the previous fiscal year. Operating income is forecast to be ¥3.6 billion (after offsetting the impact of a ¥320 million depreciation related adjustment), up from ¥2.2 billion, mainly due to improving sales of NEW Krewrap and the expansion of packaging materials sales both in Japan and overseas.

Other operations division

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

The other operations division recorded consolidated sales of ¥8.7 billion for the interim period, a decline of 11%; while divisional operating income was ¥0 (after offsetting the impact of a ¥40 million depreciation related adjustment).

Environmental engineering sales continue to grow

Sales for environmental engineering businesses, including the treatment of industrial waste and medical waste processing, continued to demonstrate stable growth, up by 17% on a year-on-year basis to ¥3.2 billion.

Construction related businesses face difficult operating environment

Construction related businesses, however, did not fare as well. Sales declined by 24% to ¥5.8 billion following a decrease in the completion of engineering related works during the first half of the year.

Logistics and warehousing businesses largely unchanged

Sales for logistics and warehousing businesses increased slightly to ¥6.3 billion, up from ¥6.2 billion recorded during the previous interim period.

Outlook: Due to the difficult operating environment, forecasted full fiscal year sales for construction related businesses have been revised downwards. As a result, divisional operating income is now forecast to be ¥1.9 billion (after offsetting the impact of a ¥80 million depreciation related adjustment), down from ¥2.3 billion, while divisional sales are estimated to be ¥35 billion, up from ¥32.2 billion during the previous fiscal year.

Consolidated capital expenditure, depreciation and R&D

	(¥ billion)		
	Sept. 2007	Sept. 2006	Fiscal 2007 (forecast)
Capital expenditure	4.9	5.4	10.7
Depreciation	4.9	4.3	10.2
R&D	3.1	3.1	7.2
Interest-bearing debt	32.3	36.6	32.7

During the interim period ended September 30, 2007, Kureha's consolidated capital expenditure declined in comparison with the corresponding period from the previous year, during which time the company had allocated financial resources to increasing production capacity for PPS. Consolidated depreciation costs for the interim period increased to come in line with capital expenditure. For the fiscal year ending March 2008, overall capital expenditure is expected to be ¥10.7 billion, lower than during the previous fiscal year.

Outlook for the full year

	(¥ million, except where stated)		
	Fiscal 2007 (Forecasts)	Fiscal 2006	Change (%)
Sales	155,000	146,255	6.0
Operating income	12,600	11,841	6.4
Recurring income	12,100	11,682	3.6
Net income	6,000	5,832	2.9
Earnings per share (EPS) (¥)	32.74	31.58	



The forecast for consolidated sales for the fiscal year ending March 2008 remains unchanged from the previously announced figure of ¥155.0 billion, a 6% year-on-year increase. Consolidated operating income is estimated to be ¥12.6 billion, up 6.4% year-on-year, reflecting the impact of changes to accounting practices for depreciation. Recurring income is expected to rise by 3.6% to ¥12.1 billion while net income is projected to be ¥6.0 billion, a 2.9% year-on-year increase.

For further information, please contact:

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Condensed interim consolidated balance sheets
As of 30 September 2007 and 2006

¥ millions

	Sept. 2007	Sept. 2006
Assets		
Current assets	70,995	65,236
Cash and cash equivalents	4,821	4,397
Fixed assets	120,840	124,301
Property, plant and equipment	71,622	70,549
Intangible assets	1,081	1,568
Investments and other assets	48,136	52,184
Total Assets	191,842	189,555
Liabilities and Net Assets		
Current liabilities	59,942	59,631
Short-term borrowings	17,239	21,839
Fixed liabilities	27,221	27,714
Corporate bonds	5,000	5,000
Long-term borrowings	10,106	9,771
Total Liabilities	87,164	87,345
Net Assets		
Shareholders' equity	90,712	87,497
Minority interest	883	861
Total Net Assets	104,677	102,210
Total Liabilities and Net Assets	191,842	189,555

Condensed interim consolidated statement of income
For the fiscal years ended 30 September 2007 and 2006

¥ millions

	Sept. 2007	Sept. 2006
Sales	67,163	63,091
Cost of goods sold	46,904	45,738
Selling, general and administrative expenses	15,397	14,405
Operating income	4,861	2,948
Non-operating income	870	719
Non-operating expenses	796	706
Recurring income	4,934	2,962
Extraordinary gains	997	1,319
Extraordinary losses	2,106	2,299
Income before income taxes	3,825	1,982
Taxes and minority interest adjustments	2,523	697
Net income	1,302	1,284



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

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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
Kureha Corporation		432	1,480	394	1,499	38	-19
Nishiki Trading Co., Ltd. (plus 1 group company)		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	-

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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)			
Consolidated Total		672	1,918	631	1,896	41	23
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.

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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	-	% -	% -	% -	% -

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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	-	% -	% -	-	% -	-	% -	-

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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	-
	Total	87	98	-11	-11%
Consolidated operating income		-0	4	-4	-
<i>Impact of changes in depreciation method</i>		-0.4			

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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

KUREHA

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
	Total	49.3	100%	29.6	100%	19.7

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
	Total	49.3	100%	26.0	100%	23.3

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			
		30		-12	
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			
		9		-3	
Equity-method affiliated	Nantong	1.5			1.5
Consolidation adjustments				-1.3	-1.3

KUREHA

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
	Total	10.0	5.3	13.2	4.6	-3.2	0.7
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
Total	21.1	17.5	23.0	19.6	1.9	2.1	

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>		<i>(-2.8)</i>							

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	-
	Total	350	380	-30	-8%	322	28	9%
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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