

# Interim Results for the Financial Year Ending March 31, 2011

November 16, 2010

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# 1. Interim Results for the Financial Year 2010

# Financial Highlights

## (Comparison with same period in FY2009)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2010 Interim			FY2009 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-Consolidated	
Net sales	646.4	421.2	1.5	597.2	384.6	1.6	49.3	8.2%	36.7	9.5%
Operating income	30.1	26.8	1.1	5.2	8.8	0.6	24.9	474.9%	18.0	203.7%
Recurring income	25.5	27.2	0.9	4.1	12.8	0.3	21.4	528.1%	14.3	111.7%
Net income	12.5	36.5	0.3	0.1	9.0	0.0	12.4	-	27.5	305.0%
Total assets	1,775	1,473	1.2	1,819	1,463	1.2	-44	-	11	-
Shareholders' equity	915	867	1.1	976	883	1.1	-61	-	-16	-
Net income per share (yen)	7.08	20.60	0.3	0.06	5.03	0.0	7.02	-	15.57	-
Diluted net income pershare (yen)	7.08	20.59	0.3	0.06	5.03	0.0	7.02	-	15.56	-
Shareholders' equity per share (yen)	531.76	504.97	1.1	542.09	492.67	1.1	-10.33	-	12.30	-
Equity ratio	%	%		%	%		%		%	
	51.4	58.8	0.9	53.4	60.4	0.9	-2	-	-1.6	-

**KUREHA**

# Financial Highlights (Comparison with estimates from May)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2010 Interim			FY2010 Interim (as est. in September)			increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	646.4	421.2	1.5	640	410	1.6	6	1.0%	11	2.7%
Operating income	30.1	26.8	1.1	24	22	1.1	6	25.4%	5	21.8%
Recurring income	25.5	27.2	0.9	20	22	0.9	6	27.5%	5	23.6%
Net income	12.5	36.5	0.3	10	30	0.3	3	25.0%	7	21.7%
Total assets	1,775	1,473	1.2							
Shareholders' equity	915	867	1.1							
Net income per share (yen)	7.08	20.60	0.3							
Diluted net income pershare (yen)	7.08	20.59	0.3							
Shareholders' equity per share (yen)	531.76	504.97	1.1							
	%	%								
Equity ratio	51.4	58.8	0.9							

**KUREHA**

## Advanced Materials

(Unit:100 million yen)

		FY2010 Interim results	FY2009 Interim results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	33	31	2	7%
		Advanced plastics	75	57	18	31%
		Others	17	12	5	43%
		Total	125	100	25	25%
	Consolidated subsidiaries	100	85	16	19%	
	Consolidation adjustments	-55	-45	-11	-	
	Total	170	140	30	21%	
Consolidated operating income		1	-9	10	-	

## Specialty Chemicals

(Unit: 100 million yen)

		FY2010 Interim results	FY2009 Interim results	Increase/ decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	52	48	4	8%
		Agrochemicals	29	22	7	31%
		Pharmaceuticals	46	44	2	5%
		Total	127	114	13	11%
		Consolidated subsidiaries	49	43	5	12%
		Consolidation adjustments	-17	-15	-2	-
		Total	159	142	16	12%
Consolidated operating income		24	11	13	110%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

			FY2010 Interim results	FY2009 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Food packaging	57	53	5	9%
		Household products	96	108	-12	-11%
		Fishing lines	5	5	1	13%
		Others	10	5	5	114%
		Total	169	170	-1	-1%
		Consolidated subsidiaries	122	158	-36	-23%
		Consolidation adjustments	-83	-118	35	-
		Total	208	210	-2	-1%
Consolidated operating income			11	8	3	38%

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Other Operations

(Unit: 100 million yen)

			FY2010 Interim results	FY2009 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Construction-related business	86	105	-19	-18%
		Environmental engineering	29	22	7	35%
		Construction-related business	55	52	3	6%
		Trading	11	8	3	37%
		Others	15	18	-3	-18%
		Total	196	205	-9	-4%
	Consolidation adjustments	-87	-100	13	-	
	Total	109	105	4	4%	
Consolidated operating income			-5	-3	-2	-
<i>(Construction-related business)</i>			<i>(-5)</i>	<i>(-3)</i>	<i>(-2)</i>	

**KUREHA**

# Analysis of Recurring Income (Comparison with same period in FY2009)

KUREHA CORPORATION

(Unit: 100million yen)

		FY2010 Interim		FY2009 Interim		Change
Recurring income	Kureha	27.2	107%	12.8	316%	14.3
	Consolidated subsidiaries	4.1	16%	-1.9	-47%	6.0
	Equity-method affiliates	1.8	7%	1.5	36%	0.3
	Consolidation adjustments	-7.6	-30%	-8.3	-205%	0.8
	計	25.5	100%	4.1	100%	21.4

## Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased sales volume	27	Decreased unit sales price	-19	14.3
	Differing inventories levels	12	Increased manufacturing fixed costs	-5	
	Decreased general and administrative costs	1	Financial balance	-3	
	Decreased R&D	2	Others	-1	
		42		-28	
Consolidated	Domestic advanced materials business	4	Construction-related business	-2	6.0
	Overseas advanced materials business	3			
	Domestic specialty plastics business	1			
		8		-2	

**KUREHA**

# Analysis of Recurring Income (Comparison with estimates from May)

KUREHA CORPORATION

(Unit:100 million yen)

		FY2010 Interim		FY2010 Interim (as est. in May)		Change
Recurring income	Kureha	27.2	107%	9.0	90%	18.2
	Consolidated subsidiaries	4.1	16%	4.6	46%	-0.5
	Equity-method affiliates	1.8	7%	1.4	14%	0.4
	Consolidation adjustments	-7.6	-30%	-5.0	-50%	-2.6
	Total	25.5	100%	10.0	100%	15.5

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased sales volume	16	Decreased unit sales price	-3	18.2
	Decreased manufacturing fixed costs	3	Increased unit price of purchased products raw materials and fuels	-4	
	Decreased general and administrative costs	6	Differing inventories levels	-2	
	Decreased R&D	2			
		27		-9	
Consolidated subsidiaries	Domestic advanced materials business	1	Overseas specialty plastics business	-2	-0.5
	Overseas advanced materials business	2	Construction-related business	-1	
	Others	1	Environmental engineering business	-2	
		5		-5	

**KUREHA**

# Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit:100 million yen)

		FY2010 Interim		FY2009 Interim		Increase/decrease	
		Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
Extraordinary income	Income from sales of investment securities	2.1	0.0	2.0	5.4	0.1	-5.4
	Others	0.7	22.3	1.4	0.2	-0.7	22.1
	<b>Total</b>	<b>2.8</b>	<b>22.3</b>	<b>3.5</b>	<b>5.6</b>	<b>-0.7</b>	<b>16.7</b>
Extraordinary	Loss on limination/sales of fixed assets	0.7	1.4	3.3	2.7	-2.6	-1.3
	Others	3.4	2.7	0.8	2.2	2.6	0.5
	<b>Total</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.9</b>	<b>0.0</b>	<b>-0.8</b>

**KUREHA**

# Key Indicators (Comparison with same period in FY2009)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2010 Interim			FY2009 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	48	26	1.8	66	41	1.6	-18	-27%	-15	-37%
Depreciation	50	41	1.2	53	42	1.2	-3	-5%	-1	-1%
R&D expenses	26	25	1.0	28	27	1.1	-2	-7%	-2	-6%
Interest-bearing debt	516	365	1.4	478	368	1.3	38	8%	-3	-1%
Net interest expense	0	5	-	0	8	-	-0	-	-3	-
Exchange rate *	89.2 yen/\$, 114.5 yen/eur			95.9 yen/\$ 133.5 yen/ eur						
Dividend per share		5.0			5.0					
Employees	4,084	1,653	2.5	3,905	1,322	3.0	179	5%	331	25%

\* TTM - The Bank of Tokyo-Mitsubishi UFJ, Ltd.

# Balance Sheets

KUREHA CORPORATION

## 1.Assets

(Unit: 100 million yen)

	As of Sep.30,2010		As of Sep.30,2009		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Cash and cash equivalents	81	37	72	47	9	-10
Accounts and notes receivable-trade	272	180	318	207	-47	-27
Inventories	198	145	207	152	-9	-7
Other current assets	76	103	58	79	18	24
Sub total	627	465	656	485	-29	-20
Property, plant and equipment	811	566	818	504	-7	62
Intangible assets	10	6	10	6	-0	0
Investments and other assets	327	437	362	474	-35	-37
Sub total	1,148	1,009	1,191	983	-42	25
Total	1,775	1,473	1,846	1,468	-71	5

## 2. Liabilities and net assets

	As of Sep.30,2010		As of Sep.30,2009		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Accounts and notes payable-trade	138	72	168	67	-30	5
Interest-bearing debt	516	365	480	334	36	31
Reserves	33	14	39	14	-6	-0
Other liabilities	173	154	191	168	-18	-14
Sub total	860	606	878	584	-18	22
Common stock	125	125	125	125	0	0
Capital reserves	95	102	99	102	-5	0
Retained earnings	734	650	725	622	9	28
Treasury stock, at cost	-45	-45	-13	-13	-33	-33
Valuation and translation adjustment	6	36	28	48	-22	-12
Share warrant	1	1	1	1	0	0
Minority interests	2	0	3	-	-1	-
Sub total	915	867	968	884	-53	-17
Total	1,775	1,473	1,846	1,468	-71	5

**KUREHA**

# Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2010 Interim		FY2009 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	74	87	56	56	18	31
	Increase/decrease in assets and liabilities	2	4	6	4	-5	-0
	Payments of corporation tax	-17	-15	-9	-5	-8	-10
	Other-net	-5	-17	1	1	-6	-18
		54	59	54	56	-0	3
Cashflow from investing activities		-44	-42	-80	-95	36	53
Cashflow from financing activities		-0	-27	27	26	-27	-53
Effect of exchange rate changes on cash and cash equivalents		-0	0	1	-0	-1	0
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		-	0	-1	-	-1	-
Net increase/decrease in cash and cash equivalents		9	-10	2	-13	7	3
Cash and cash equivalents at beginning of year		72	47	73	44	-1	3
Cash and cash equivalents at end of year		81	37	75	31	7	6

**KUREHA**

### 3. Estimates for the Financial Year ending March 2011

# Estimated Figures

KUREHA CORPORATION

<Comparison with FY2010>

( Unit: 100 million yen)

	FY2011(as est in Nov.)			FY2010			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,400	860	1.6	1,346	856	1.6	54	4.0%	4	0.5%
Operating income	60	45	1.3	57	44	1.3	3	5.3%	1	2.3%
Recurring income	50	40	1.3	55	46	1.2	-5	-9.1%	-6	-13.0%
Net income	24	40	0.6	16	24	0.7	8	50.0%	16	66.7%

**KUREHA**

# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Advanced Materials

(Unit: 100 million yen)

		FY2011 (as est. in Nov.)	FY2011 (as est. in May)	increase/decrease (Ratio)		FY2010	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	71	64	7	11%	54	17	31%
		Advanced plastics	148	145	3	2%	128	20	16%
		Others	36	31	5	16%	26	10	38%
		Total	255	240	15	6%	208	47	23%
	Consolidated subsidiaries	205	170	35	21%	164	41	25%	
	Consolidation adjustments	-110	-90	-20	-	-87	-23	-	
Total		350	320	30	9%	284	66	23%	
Consolidated operating income		-4	-18	14	-78%	-36	32	-89%	

**KUREHA**

# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Specialty Chemicals

(Unit: 100 million yen)

		FY2011 (as est. in Nov.)	FY2011 (as est. in May)	increase/decrease (Ratio)		FY2010	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	100	100	0	0%	102	-2	-2%
		Agrochemicals	73	80	-7	-9%	69	4	6%
		Pharmaceuticals	97	100	-3	-3%	127	-30	-24%
		Total	270	280	-10	-4%	299	-29	-10%
	Consolidated subsidiaries	100	90	10	11%	91	9	10%	
	Consolidation adjustments	-40	-40	0	-	-32	-8	-	
	Total	330	330	0	0%	358	-28	-8%	
Consolidated operating income		40	42	-2	-5%	66	-26	-39%	

**KUREHA**

# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

		FY2011 (as est. in Nov.)	FY2011 (as est. in May)	increase/decrease (Ratio)		FY2010	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging materials	115	114	1	1%	108	7	6%
		Household products	192	198	-6	-3%	215	-23	-11%
		Fishing lines	11	11	0	0%	13	-2	-15%
		Others	17	17	0	0%	13	4	31%
	Total		335	340	-5	-1%	349	-14	-4%
	Consolidated subsidiaries		250	260	-10	-4%	316	-66	-21%
	Consolidation adjustments		-135	-150	15	-	-241	106	-
Total		450	450	0	0%	424	26	6%	
Consolidated operating income		28	31	-3	-10%	19	9	47%	

**KUREHA**

# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Other Operations

			FY2011 (as est. in Nov.)	FY2011 (as est. in May)	increase/decrease (Ratio)		FY2010	increase/decrease (Ratio)	
Consolidated net sales	kureha	Construction-related business	245	270	-25	-9%	285	-40	-14%
		Environmental engineering business	60	65	-5	-8%	50	10	20%
		Construction-related business	108	108	0	0%	108	0	0%
		Trading	16	16	0	0%	17	-1	-6%
		Others	26	26	0	0%	34	0	0%
	Total		455	485	-30	-6%	494	-39	-8%
	Consolidation adjustments		-185	-185	0	-	-214	29	-
	Total		270	300	-30	-10%	279	-9	-3%
Consolidated operating income			0	9	-9	-	14	-14	-
<i>(Construction-related business)</i>			<i>(-4)</i>	<i>(2)</i>	<i>(-6)</i>	<i>-</i>	<i>(5)</i>	<i>(-9)</i>	<i>-</i>

**KUREHA**

# Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2011(as est in Nov.)			FY2010			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	157	81	1.9	169	67	2.5	-12	-7%	14	21%
Depreciation	105	89	1.2	111	90	1.2	-6	-5%	-1	-1%
R&D expenses	60	57	1.1	62	60	1.0	-2	-3%	-3	-5%
Interest-bearing debt	554	406	1.4	480	334	1.4	74	15%	72	22%
Net interest expense	-3	7	-	-1	9	-	-2	200%	-2	-22%
Exchange rate	85yen/\$、110yen/eur			93.06yen/\$、131.43yen/eur						
Dividend per share		10.00			10.00					
Employees	4,062	1,641	2.5	4,101	1,352	3.0	-39	-1%	289	21%

**KUREHA**

(Unit: 100 million yen)

		FY2011 (as est. in Nov.)		FY2010 (results)		Increase/decrease	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Cashflow from Operating activities	Pre-depreciation profit	145	138	146	121	-1	17
	Increase/decrease in assets and liabilities	-7	-8	16	4	-23	-12
	Payments of corporation tax	-23	-20	-12	-5	-11	-15
	Other-net	-8	-7	8	14	-16	-21
		107	103	158	134	-51	-31
Cashflow from investing activities		-152	-129	-177	-114	25	-15
Cashflow from financing activities		26	5	20	-17	6	22
Effect of exchange rate changes on cash and cash equivalents		-1	0	-3	0	2	0
Net increase/decrease in cash and cash equivalents		-20	-21	-1	3	-19	-24
Cash and cash equivalents at beginning of year		72	47	73	44	-1	3
Cash and cash equivalents at end of year		52	26	72	47	-20	-21

## 3. Consolidated Companies

# Consolidated Companies

KUREHA CORPORATION

(Unit :100million yen)

		FY2010 Interim		FY2009 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Kureha Corporation</b>		421	1,473	385	1,463	37	10
<b>Kureha Trading Co., Ltd. and one group company</b>		147	125	139	119	8	6
<b>Advanced Materials</b>	Kureha Corporation	125	-	100	-	25	-
	Kureha trading Co., Ltd and one group company	55	-	42	-	13	-
	Nihon Extron Co., Ltd.	6	16	5	15	2	1
	Kureha Extech Co., Ltd.	11	17	7	16	4	1
	Kakogawa Plastics Co., Ltd	-	-	6	-	-6	-
	Kureha GmbH	8	9	14	14	-6	-5
	Kureha America Inc. and three group company	14	166	6	107	8	59
	Kureha Chemicals Shanghai Co., Ltd.	6	22	5	26	1	-4
Consolidation adjustments		-55	-	-44	-	-11	-
Total		170	-	140	-	30	-
<b>Specialty Chemicals</b>	Kureha Corporation	127	-	114	-	13	-
	Kureha trading Co., Ltd and one group company	49	-	43	-	5	-
	Consolidation adjustments	-17	-	-15	-	-2	-
Total		159	-	142	-	17	-
<b>Specialty Plastics</b>	Kureha Corporation	169	-	170	-	-1	-
	Kureha trading Co., Ltd and one group company	43	-	45	-	-2	-
	Kureha Gosen Co., Ltd.	12	19	9	18	2	1
	Krehalon Industrie B.V. and four group company	31	43	38	59	-7	-16
	Kureha Vietnam Co., Ltd	4	30	-	-	4	-
	Kureha Plastics Co., Ltd	32	-	65	82	-33	0
	Consolidation adjustments	-83	-	-118	-	35	-
Total		208	-	210	-	-2	-

**KUREHA**

# Consolidated Companies

KUREHA CORPORATION

(Unit:100 million yen)

		FY2010 Interim		FY2009 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Construction related</b>	Kurehanishiki Construction Co., Ltd. and 4 group companies	48	54	46	74	2	-20
	Kureha Engineering Co., Ltd.	38	39	60	66	-21	-27
	Consolidation Adjustments	-36	-	-49	-	13	-
Total		50	-	57	-	-6	-48
<b>Other Operations</b>	Kureha Ecology Management Co., Ltd.	23	63	16	38	7	25
	Kureha Special Laboratory Co., Ltd.	6	7	6	7	0	-0
	Kureha Unyu Co., Ltd and 6 group companies	55	62	52	61	3	1
	Kureha Trading Co., Ltd	11	-	8	-	3	-
	Kureha Service Co., Ltd.	3	9	3	45	-0	-36
	Kureha Staff Service Co., Ltd.	12	7	14	7	-2	0
Consolidation Adjustments		-51	-	-53	-	3	-
Total		59	-	46	-	13	-
(Number of consolidated companies)		(32)		(33)			
<b>Consolidation Total</b>		<b>646</b>	<b>-</b>	<b>597</b>	<b>-</b>	<b>49</b>	<b>-</b>
Equity-method affiliates	Nangtong SKT New Material Co., Ltd.	15	-	15	-	0	-

**KUREHA**

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