

# Interim Results for the Financial Year Ending March 31, 2013

November 19, 2012

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# 1. Interim Results for the Financial Year 2012

# Financial Highlights (Comparison with same period in FY2011)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2011 Interim			FY2012 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-Consolidated	
Net sales	588.5	338.4	1.7	637.2	377.6	1.7	48.7	8.3%	39.2	11.6%
Operating income	42.1	29.5	1.4	47.8	46.8	1.0	5.7	13.4%	17.4	58.9%
Recurring income	39.6	32.8	1.2	37.1	49.4	0.8	-2.4	-6.2%	16.6	50.5%
Net income	-9.8	-13.4	-	22.2	32.9	0.7	32.0	-	46.3	-
Total assets	1,782	1,460	1.2	1,884	1,547	1.2	102	-	87	-
Shareholders' equity	877	834	1.1	903	859	1.1	26	-	26	-
Net income per share (yen)	-5.68	-7.78	-	12.95	19.15	0.7	18.63	-	26.93	-
Shareholders' equity per share (yen)	506.3	485.24	1.0	512.51	500.08	1.0	6.21	-	14.84	-
Equity ratio	% 48.8	% 57.1	0.9	% 46.7	% 55.5	0.8	% -2.1	-	% -1.6	-

**KUREHA**

## Advanced Materials

(Unit:100 million yen)

		FY2011 Interim results	FY2012 Interim results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	35	23	-12	-34%
		Advanced plastics	73	70	-3	-4%
		Others	1	2	1	104%
		Total	109	95	-14	-13%
		Consolidated subsidiaries	106	112	6	6%
		Consolidation adjustments	-56	-67	-11	-
		Total	159	140	-19	-12%
Consolidated operating income		6	-4	-10	-	

## Specialty Chemicals

(Unit: 100 million yen)

		FY2011 Interim results	FY2012 Interim results	Increase/ decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	43	47	3	7%
		Agrochemicals	36	41	5	14%
		Pharmaceuticals	40	54	13	33%
		Total	119	141	22	18%
	Consolidated subsidiaries	42	42	-0	-1%	
	Consolidation adjustments	-13	-14	-1	-	
	Total	148	169	21	14%	
Consolidated operating income		29	37	8	28%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

		FY2011 Interim results	FY2012 Interim results	Increase/ decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging	41	39	-2	-5%
		Household products	56	89	34	60%
		Fishing lines	6	-	-6	-
		Others	8	14	6	77%
	Total		110	142	32	29%
	Consolidated subsidiaries		98	101	4	4%
	Consolidation adjustments		-36	-41	-5	-
Total		171	202	31	18%	
Consolidated operating income		7	17	10	149%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Construction related

(Unit: 100 million yen)

		FY2011 Interim results	FY2012 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Construction-related business	109	107	-2	-2%
	Consolidation adjustments	-59	-47	12	-
	Total	50	60	10	21%
Consolidated operating income		3	2	-1	-40%

## Other operations

(Unit: 100 million yen)

		FY2011 Interim results	FY2012 Interim results	Increase/ decrease (Ratio)	
Consolidated	Environmental engineering business	35	38	4	11%
	Logistics and warehousing business	51	51	-0	-0%
	Trading	9	10	2	19%
	Others	11	11	-0	-4%
	Consolidation adjustments	-45	-44	1	-
	Total	61	66	6	9%
Consolidated operating income		4	-0	-4	-

**KUREHA**

# Analysis of Recurring Income (Comparison with same period in FY2011)

KUREHA CORPORATION

(Unit: 100million yen)

		FY2011 Interim		FY2012 Interim		Change
Recurring income	Kureha	32.8	83%	49.4	133%	16.6
	Consolidated subsidiaries	16.4	41%	-3.6	-10%	-20.0
	Equity-method affiliates	1.1	3%	1.3	4%	0.2
	Consolidation adjustments	-10.7	-27%	-10.0	-27%	0.7
	計	39.6	100%	37.1	100%	-2.5

## Reason for earnings increase/decrease

	Reason for decrease		Reason for increase		Total
	Item	Amount	Item	Amount	
Kureha	Decreased unit sales price	-1	Increased sales volume	24	16.6
	Increased unit price of purchased products raw materials and fuels	-2	Differing inventories levels	8	
	Increased manufacturing fixed costs	-13	Decreased R&D costs	3	
	Increased selling direct cost	-1			
	Increased general and administrative costs	-2			
			-19	35	
Consolidated	Domestic advanced materials business	-7	Domestic specialty plastics business	2	-20.0
	Overseas advanced materials business	-9			
	Construction-related business	-1			
	Others	-5			
			-22	2	

# Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit:100 million yen)

		FY2011 Interim		FY2012 Interim		Increase/decrease	
		Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
Extraordinary income	Compensation for damage	-	-	1.0	-	1.0	-
	Subsidy income	1.0	-	0.7	-	-0.3	-
	Gain on transfer of business	7.0	7.0	-	-	-7.0	-7.0
	Others	0.4	0.3	0.0	-	-0.4	-0.3
	<b>Total</b>	<b>8.4</b>	<b>7.3</b>	<b>1.7</b>	<b>0.0</b>	<b>-6.7</b>	<b>-7.3</b>
Extraordinary	Loss on sales and retirement of noncurrent assets	2.1	2.0	1.4	2.6	-0.6	0.6
	Loss on reduction of noncurrent investment	1.0	-	0.7	-	-0.3	-
	Loss on valuation of securities	12.0	12.0	0.6	-	-11.4	-12.0
	Loss on disaster	35.7	38.3	-	-	-35.7	-38.3
	Others	0.7	0.7	0.3	0.2	-0.4	-0.5
	<b>Total</b>	<b>51.5</b>	<b>53.0</b>	<b>3.0</b>	<b>2.8</b>	<b>-48.5</b>	<b>-50.2</b>

KUREHA

# Key Indicators (Comparison with same period in FY2012)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2011 Interim			FY2012 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	85	37	2.3	75	50	1.5	-10	-11%	13	36%
Depreciation	46	39	1.2	41	32	1.3	-5	-11%	-7	-17%
R&D expenses	25	24	1.1	21	20	1.1	-4	-16%	-4	-17%
Interest-bearing debt	556	409	1.4	618	444	1.4	62	11%	35	8%
Net interest expense	-0	7	-	-1	7	-	-0	-	0	2.3%
Exchange rate *	80.0 yen/\$, 114.3yen/eur			79.6 yen/\$, 100.9 yen/eur						
Dividend per share	5.0			5.0						
Employees	4,091	1,661	2.5	4,040	1,709	2.4	-51	-1%	48	3%

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

# Balance Sheets

KUREHA CORPORATION

## 1.Assets

(Unit: 100 million yen)

	As of Mar.30,2011		As of Sep.30,2012		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Cash and cash equivalents	89	34	99	30	10	-3
Accounts and notes receivable-trade	296	174	265	172	-31	-2
Inventories	222	160	237	167	16	7
Other current assets	62	86	76	94	14	8
Sub total	668	454	677	464	9	10
Property, plant and equipment	871	537	900	552	29	15
Intangible assets	8	4	12	5	4	1
Investments and other assets	314	517	294	525	-20	8
Sub total	1,194	1,059	1,207	1,083	13	24
Total	1,862	1,513	1,884	1,547	22	34

## 2 . Liabilities and net assets

	As of Mar.30,2011		As of Sep.30,2012		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Accounts and notes payable-trade	193	85	154	65	-39	-19
Interest-bearing debt	567	406	618	444	51	38
Reserves	39	21	35	19	-3	-2
Other liabilities	179	154	175	160	-4	6
Sub total	977	665	982	688	5	23
Common stock	125	125	125	125	-	-
Capital reserves	92	102	92	102	0	0
Retained earnings	720	631	733	655	14	24
Treasury stock, at cost	-45	-45	-45	-45	0	0
Valuation and translaton adjustment	-14	35	-24	22	-10	-13
Share warrant	1	1	1	1	-0	-0
Minority interests	9	-	22	-	13	-
Sub total	886	848	903	859	17	11
Total	1,862	1,513	1,884	1,547	22	34

**KUREHA**

(Unit: 100 million yen)

		FY2011 Interim		FY2012 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	42	26	79	79	37	53
	Increase/decrease in assets and liabilities	21	-5	-24	-31	-45	-27
	Payments of corporation tax	-4	-2	-5	-2	-2	-1
	Other-net	-6	-3	-7	2	-1	5
		53	16	43	47	-10	31
Cashflow from investing activities		-96	-44	-88	-79	8	-35
Cashflow from financing activities		-3	4	55	29	58	25
Effect of exchange rate changes on cash and cash equivalents		-1	0	1	0	2	-0
Net increase/decrease in cash and cash equivalents		-47	-25	10	-3	57	21
Cash and cash equivalents at beginning of year		107	50	89	34	-18	-16
Cash and cash equivalents at end of year		61	25	99	30	38	5

### 3. Estimates for the Financial Year ending March 2013

# Estimated Figures

KUREHA CORPORATION

( Unit: 100 million yen)

	FY2011			FY2012			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,284	731	1.8	1,350	780	1.7	66	5.2%	49	6.7%
Operating income	85	61	1.4	90	70	1.3	5	6.2%	9	15.2%
Recurring income	79	62	1.3	65	70	0.9	-14	-17.4%	8	12.8%
Net income	15	10	1.4	25	33	0.8	10	71.2%	23	220.4%

## Advanced Materials

(Unit: 100 million yen)

		FY2011	FY2012	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	69	49	-20	-29%
		Advanced plastics	147	152	5	3%
		Others	4	4	0	0%
		Total	220	205	-15	-7%
	Consolidated subsidiaries	216	228	12	6%	
	Consolidation adjustments	-123	-138	-15	-	
	Total	313	295	-18	-6%	
Consolidated operating income		5	-16	-21	-	

## Specialty Chemicals

(Unit: 100 million yen)

		FY2011	FY2012	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	90	95	5	5%
		Agrochemicals	76	84	8	10%
		Pharmaceuticals	80	96	16	20%
		Total	246	275	29	12%
	Consolidated subsidiaries	85	85	0	0%	
	Consolidation adjustments	-30	-30	-1	-	
	Total	302	330	28	9%	
Consolidated operating income		47	58	11	23%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

		FY2011	FY2012	increase / decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging materials	96	92	-4	-4%
		Household products	140	175	35	25%
		Fishing lines	11	-	-11	-
		Others	18	33	15	84%
		Total	265	300	35	13%
	Consolidated subsidiaries	194	220	26	13%	
	Consolidation adjustments	-82	-95	-13	-	
	Total	377	425	48	13%	
Consolidated operating income		22	37	15	66%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Construction related

(Unit: 100 million yen)

		FY2011	FY2012	Increase/ decrease (Ratio)	
Consolidated net sales	Construction-related business	292	230	-62	-21%
	Consolidation adjustments	-129	-80	49	-
	Total	163	150	-13	-8%
Consolidated operating income		11	5	-6	-55%

## Other Operations

(Unit: 100 million yen)

		FY2011	FY2012	Increase/ decrease (Ratio)	
Consolidated net sales	Environmental engineering business	75	93	18	24%
	Logistics and warehousing business	106	105	-1	-1%
	Trading	18	21	3	14%
	Others	22	21	-1	-3%
	Consolidation adjustments	-92	-90	2	-
Total		130	150	20	16%
Consolidated operating income		9	9	0	0%

**KUREHA**

# Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2011			FY2012			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	144	72	2.0	210	155	1.4	66	46%	83	116%
Depreciation	96	80	1.2	81	64	1.3	-15	-15%	-16	-20%
R&D expenses	51	48	1.1	56	53	1.1	5	10%	5	11%
Interest-bearing debt	567	406	1.4	689	497	1.4	122	22%	91	23%
Net interest expense	-1	8	-	-3	7	-	-2	-	-1	-10%
Exchange rate	79.09yen/\$、109.17yen/€			80.0yen/\$、100.0yen/€						
Dividend per share	10.00			10.00						
Employees	4,032	1,628	2.5	4,042	1,684	2.4	10	0%	56	3%

**KUREHA**

(Unit: 100 million yen)

		FY2011		FY2012		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	128	96	130	118	2	22
	Increase/decrease in assets and liabilities	8	-19	-15	-19	-23	0
	Payments of corporation tax	-9	-2	-13	-5	-4	-3
	Other-net	-5	-3	4	18	9	21
		121	73	106	112	-15	39
Cashflow from investing activities		-142	-81	-214	-196	-72	-115
Cashflow from financing activities		4	-8	105	74	101	82
Effect of exchange rate changes on cash and cash equivalents		-3	0	0	0	3	-0
Net increase/decrease in cash and cash equivalents		-19	-16	-3	-10	16	6
Cash and cash equivalents at beginning of year		107	50	89	34	-18	-16
Cash and cash equivalents at end of year		89	34	86	24	-3	-10

## 3. Consolidated Companies

# Consolidated Companies

KUREHA CORPORATION

(Unit : 100million yen)

		FY2011 Interim		FY2012 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Kureha Corporation</b>		338	1,460	378	1,547	39	87
<b>Kureha Trading Co., Ltd. and one group company</b>		138	120	138	128	-1	8
<b>Advanced Materials</b>	Kureha Corporation	109	-	95	-	-14	-
	Kureha trading Co., Ltd and one group company	48	-	45	-	-3	-
	Nihon Extron Co., Ltd.	7	16	6	16	-1	-0
	Kureha Extech Co., Ltd.	12	16	8	24	-4	8
	Kureha Battery Materials Japan Co.,Ltd. and two group companies	-	1	21	46	21	45
	Kureha GmbH	9	10	9	9	-1	-0
	Kureha America Inc. and 3 group companies	16	224	17	226	1	2
	Kureha Chemicals Shanghai Co., Ltd.	14	25	5	25	-9	0
	Kureha (China) Investment Co., Ltd. and one group companies	-	-	0	28	0	28
	Consolidation adjustments	-56	-	-67	-	-11	-
Total		159	-	140	-	-19	-
<b>Specialty Chemicals</b>	Kureha Corporation	119	-	141	-	22	-
	Kureha trading Co., Ltd.	42	-	42	-	-0	-
	Consolidation adjustments	-13	-	-14	-	-1	-
Total		148	-	169	-	21	-
<b>Specialty Plastics</b>	Kureha Corporation	110	-	142	-	32	-
	Kureha trading Co., Ltd.	39	-	40	-	1	-
	Kureha Gosen Co., Ltd.	14	19	18	27	4	8
	Krehalon Industrie B.V. and 4 group companies	34	46	32	40	-2	-6
	Kureha Vietnam Co., Ltd	10	33	11	39	1	6
	Consolidation adjustments	-36	-	-41	-	-5	-
Total		171	-	202	-	31	-

**KUREHA**

# Consolidated Companies

KUREHA CORPORATION

(Unit:100 million yen)

		FY2011 Interim		FY2012 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Construction related</b>	Kurehanishiki Construction Co., Ltd. and 3 group companies	61	85	78	83	17	-2
	Kureha Engineering Co., Ltd.	48	51	29	39	-19	-12
	Consolidation Adjustments	-59	-	-47	-	12	-
Total		50	-	60	-	10	-
<b>Other Operations</b>	Kureha Ecology Management Co., Ltd.	29	64	32	66	3	2
	Kureha Special Laboratory Co., Ltd.	5	6	6	7	1	1
	Kureha Unyu Co., Ltd and 6 group companies	51	62	51	62	-0	1
	Kureha Trading Co., Ltd	9	-	10	-	2	-
	Kureha Service Co., Ltd.	3	8	3	8	0	-0
	Kureha Staff Service Co., Ltd.	9	6	8	6	-0	0
Consolidation Adjustments		-45	-	-44	-	1	-
Total		61	-	66	-	6	-
(Number of consolidated companies)		(35)		(38)			
<b>Consolidation Total</b>		<b>589</b>	<b>-</b>	<b>637</b>	<b>-</b>	<b>49</b>	<b>-</b>
Equity-method affiliates	Nangtong SKT New Material Co., Ltd.	13	-	14	-	1	-
	Bio Hard Carbon Co.,Ltd.	-	-	-	-	-	-

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