



## Kureha Corporation Reports Fiscal 2012 Results

**Tokyo, Japan – May 2013** – Kureha Corporation (“Kureha”), a leading global supplier of specialty chemicals and plastics, has reported earnings for the fiscal year ended March 31, 2013 (FY2012). On a consolidated basis, sales increased by 1.7% year-on-year to ¥130.5 billion, while operating income declined marginally by 0.2% to ¥8.458 billion and recurring income was down by 16.5% to ¥6.570 billion. Net income increased sharply from the previous year to ¥3.212 billion (up 120%), as the Company was no longer required to post earthquake-related extraordinary losses.

Kureha President and Chief Executive Officer, Yutaka Kobayashi, said, “Kureha, like many other companies, continued to face a difficult operating environment, impacted by economic slowdown in Europe and decelerating growth in emerging markets. We also faced a number of specific challenges, including prolonged inventory adjustments for solar power equipment, resulting from excess-supply within the solar power generation market, as well as slower than anticipated growth in the lithium-ion battery market for hybrid electric and electric vehicles. However, thanks to well-balanced product portfolio, Kureha posted increased sales, and maintained operating income at a level similar to the previous year.”

Kobayashi added, “Although expectations are growing that the global economy will make a mild recovery, challenges remain and the business climate for Kureha continues to be uncertain. We will therefore take steps, in addition to those already taken, to ensure our businesses are positioned to meet the needs of the current operating environment and are able to prosper when the business climate stabilizes. Specifically, our “Grow Globally II Medium-term Business Plan”, which was announced in January 2012 and runs through fiscal 2015, has now been reviewed to reflect the changing domestic and global business environment. Furthermore, we launched a corporate revitalization initiative in April 2013, with the project team headed by myself, that is focused on securing cost and productivity improvements, and the development of global human resources.”

## Summary of consolidated full year results

(¥ million, except where stated)

	March 2012	March 2013	Change (%)
Sales	128,358	130,550	1.7
Operating income	8,472	8,458	-0.2
Recurring income	7,867	6,570	-16.5
Net income	1,460	3,212	120.0
Earnings per share (EPS) (¥)	8.51	18.71	120.0

## Consolidated performance by segment

(¥ million, except where stated)

Division		March 2012	March 2013	March 2014 (Forecast)
Advanced materials	Sales	31,253	27,650	33,000
	Operating income/loss	534	(2,131)	(2,000)
Specialty chemicals	Sales	30,182	32,833	34,000
	Operating income/loss	4,715	6,136	5,400
Specialty plastics	Sales	37,672	40,900	43,000
	Operating income/loss	2,226	2,988	3,900
Construction-related	Sales	16,300	14,967	14,000
	Operating income/loss	1,114	1,038	600
Other operations	Sales	12,950	14,197	16,000
	Operating income/loss	932	613	1,300
(Cancellations)	Operating income/loss	(1,051)	(186)	(200)
<b>Total</b>	<b>Sales</b>	<b>128,358</b>	<b>130,550</b>	<b>140,000</b>
	<b>Operating income</b>	<b>8,472</b>	<b>8,458</b>	<b>9,000</b>

## Performance by division

### Advanced materials division

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

Advanced materials division sales were down 12% year-on-year to ¥27.7 billion, with the division reporting an operating loss of ¥2.1 billion. This was largely due to continued inventory adjustments significantly impacting the performance of carbon fiber products, as well as PVDF resin being impacted by a decline in demand.

### **Advanced plastics sales weaken**

Sales of advanced plastics were down 7% from ¥14.7 billion to ¥13.7 billion. Sales of PPS resin for use in automotive applications and at the U.S. joint venture performed

steadily, while sales for electronic and electrical materials applications slowed. Sales of PVDF resin for industrial use recovered in comparison to the previous year. However, PVDF resin for use in lithium-ion battery binders, which experienced strong demand in recent years especially in the period following the Great East Japan Earthquake, recorded a fall in demand in the face of increased competition among lithium-ion battery suppliers in the electronic and electrical market.

PGA experienced contrasting fortunes during the period, making significant gains in its use for the extraction of shale gas resources, but also experiencing a temporary halt in operations at the PGA plant, which forced the company to report operating and amortized costs as non-operating losses.

#### **Continuing inventory adjustment for carbon products**

Demand for carbon fiber as an insulating material in silicon ingots manufacturing for solar powered equipment is yet to recover due to continuing inventory adjustments, while use as negative electrode materials in lithium-ion batteries also suffered from sluggish demand. As a result, sales of carbon fiber products were down 37% from ¥6.9 billion to ¥4.4 billion.

**Outlook:** FY2013 divisional sales are forecast to increase 19% to ¥33.0 billion, while operating loss is expected to remain largely constant at ¥2.0 billion. Kureha anticipates that PPS resin for use in the auto sector will continue to demonstrate steady growth. PPS resin production at the Iwaki factory will continue at full capacity and operating capacity at the U.S. plant is also expected to further contribute to earnings. Sales expansion is also expected for PVDF for use in electrode binders for lithium-ion batteries in the auto industry and for use in other industrial applications. Kureha will further accelerate PGA market development and cultivation, with a focus on increased adoption in the shale gas sector. Demand for carbon materials for use in negative electrode materials for large-scale lithium-ion batteries is expected to grow due to the expanding hybrid electric vehicle market, while the recovery of demand as an insulating material for solar powered equipment is expected to be further delayed. Over the medium term, carbon fiber and other products in the division are expected to see demand growth, and will serve as key drivers for the Company's expansion.

## **Specialty chemicals division**

*Major product areas – industrial chemicals, agrochemicals, pharmaceuticals*

Specialty chemicals division sales were up 9% year-on-year to ¥32.8 billion from ¥30.2 billion. The division made an operating profit of ¥6.1 billion, up 30%, thanks to the receipt of settlement funds from a patent lawsuit concerning *Kremezin*, and the strong performance of the pharmaceuticals and agrochemicals businesses.

### **Pharmaceuticals growth**

Sales of pharmaceutical products increased 23% from ¥8.0 billion to ¥9.8 billion. Despite the official drug price cuts, *Kremezin*, a chronic kidney disease treatment, saw an increase in sales volume. Settlement funds following a patent infringement case also contributed to the strong divisional performance.

### **Industrial chemicals sales improve**

Industrial chemicals recorded sales of ¥9.4 billion, a 4% increase. Although sales of inorganic chemicals such as sodium hydroxide (caustic soda) recovered, the rise in costs of raw materials negatively impacted organic chemicals, which resulted in a decline in operating profit.

### **Agrochemicals reported an increase in sales**

Sales of agrochemical products were up 9% year-on-year to ¥8.3 billion. *Metconazole*, an agricultural fungicide, saw an increase in export sales volume, especially during the first part of the year when the yen was strong. The negative currency meant that there was little impact on operating income, which remained on a par with the previous year.

**Outlook:** Fiscal 2013 divisional sales are expected to increase by 4% to ¥34.0 billion, while operating income is projected to decline by 12% to ¥5.4 billion. Kureha will continue efforts to expand the market and enhance its supply structure for agrochemical products. Sales volumes of *Metconazole* are expected to remain largely unchanged, while it is anticipated that the favorable exchange rate will contribute positively. For pharmaceutical products, *Kremezin* is expected to see sales growth, although there will be no corresponding contribution from settlement funds from patent lawsuits. Kureha projects that industrial chemicals will maintain revenue levels by successfully transferring the impact of rising raw material prices to final products.

### **Specialty plastics division**

*Major product areas – food packaging materials for commercial use, household packaging products*

Specialty plastics division sales increased by 9% from ¥37.7 billion to ¥40.9 billion, while operating income for the division grew by 34% to ¥3.0 billion. Sales of consumer products including household wrap films and fishing lines products were up, but packaging materials for commercial use declined due to sluggish demand growth in China.

### **Continued consumer product sales growth**

Sales of household products grew by 27% in comparison with the previous year, reaching ¥17.8 billion for the full year. *NEW Krewrap* sales and operating income increased on the back of sales volume recovery and the company's continued efforts to improve profitability. Kureha's *Seaguar* fishing line business, which was transferred to the subsidiary, Kureha Gohsen in April 2012, performed strongly.

### **Slowing demand in China**

Sales for food packaging materials for commercial use were down 18% to ¥7.9 billion. PVDC films, multilayer shrinkable films, and multilayer bottles experienced a decline in demand, although the Company sought to reduce costs to help strengthen profitability. In Europe, hikes in raw material prices led to cost increases, despite the steady growth in sales. PVDC compound sales growth in China slowed, partly due to emerging competition in the market.

**Outlook:** Fiscal 2013 divisional sales are forecast to increase by 5% to ¥43.0 billion. Operating income is also projected to increase by 31% to ¥3.9 billion due to expected growth in sales volume of PVDC compounds in China, and strengthened cost competitiveness at the Vietnam film plant. Kureha also will continue its efforts to further improve *New Krewrap* products. The strategy of providing high value-added products continues, as does price optimization efforts for consumer products. For the synthetic textile related business, including *Seaguar*, Kureha will work to enhance the effectiveness of business consolidation with Kureha Gohsen.

## **Construction and Other Operations divisions**

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

Construction sales were down 8% from ¥16.3 billion to ¥15.0 billion, with operating profit of ¥1.0 billion. Sales of other operations increased 10% to ¥14.2 billion from ¥13.0 billion, with an operating profit of ¥0.6 billion. Although both divisions recorded an operating profit, the level of profitability decreased for both construction and other operations in comparison with the previous year, in part due to the burden of increased costs and expenses.

### **Difficult operating environment for construction-related businesses**

Sales at construction-related businesses declined by 8% from ¥16.3 billion to ¥15.0 billion, partly due to the reduction in post-disaster reconstruction operations, as well as increases in materials and labor costs.

### **Increased costs impact environmental engineering business**

Environmental engineering sales were up 17% from ¥7.5 billion to ¥8.8 billion. Demand for disaster waste removal operations increased, while industrial waste processing operations declined. Additionally, contributing to improved sales was environmental engineering-related activities, which transferred to this business from construction related businesses to improve synergies and profitability. However, costs associated with waste-processing were up, resulting in a decline in operating income from the previous year.

### **Logistics and warehousing businesses largely stable**

Logistics and warehousing business sales were down 3% to ¥10.3 billion, mainly due to the severe competitive environment. Sales at trading-related businesses were up 26% to ¥2.3 billion from ¥1.8 billion.

**Outlook:** Fiscal 2013 divisional sales for construction are projected to decline by 6% to ¥14.0 billion, with operating income also expected to fall due to the gradual reduction in earthquake-related reconstruction operations and exacerbated by increasing materials and labor costs. Divisional sales for other operations are estimated to increase by 13% to ¥16.0 billion, with operating income also to rise by 122% to ¥1.3 billion. Kureha will

make further efforts to improve profitability in industrial waste related operations, specifically increasing micro-PCB (Polychlorinated Biphenyls) processing work.

### **FY2013 Outlook**

(¥ million, except where stated)

	March 2013	March 2014 (Forecast)	Change (%)
Sales	130,550	140,000	7.2
Operating income	8,458	9,000	6.4
Recurring income	6,570	8,500	29.4
Net income	3,212	4,500	40.1
Earnings per share (EPS) (¥)	18.71	26.20	40.0

Kureha forecasts sales of ¥140.0 billion in fiscal 2013, up 7.2%; operating income of ¥9.0 billion, up 6.4%; recurring income of ¥8.5 billion, up 29.4%; and net income of ¥4.5 billion, up 40.1%.

As noted above, Kureha anticipates the advanced materials division seeing a gradual recovery, with the PGA business expected to expand its sales, and demand for lithium-ion battery materials likely to return. Kureha also expects a positive performance from the specialty plastic business. The specialty plastic division as well as the other operations division are also expected to contribute to profitability. Kureha's strategy remains to focus on value-added and highly differentiated products, while streamlining operational efficiency and thinking globally, to meet changing market needs.

### **Capex, Depreciation, R&D and Debt**

(¥ billion)

	March 2012	March 2013	March 2014 (forecast)
Capital expenditure	14.4	20.0	23.0
Depreciation	9.6	8.9	9.5
R&D	5.1	4.4	5.0
Interest-bearing debt	56.7	68.4	85.9

Kureha is committed to maintaining its planned high level of capital expenditure, as is evident from the above three year capital expenditure figures. Capital expenditure was increased from 14.4 billion in fiscal 2011 to 20.0 billion in fiscal 2012. In fiscal year 2013, Kureha plans capital expenditure of 23.0, with major areas of investment including the construction of PVDC plant in Japan and PVDF plant in China, along with maintenance and upgrading activities, in order to maintain strong operations capable of responding to future demands.



Depreciation declined from ¥9.6 billion to ¥8.9 billion in fiscal 2012, but is projected to increase slightly to ¥9.5 billion during the fiscal year 2013.

R&D spending during fiscal 2012 was ¥4.4 billion, representing a decline from the previous year. R&D expenditure remains critical to Kureha's operations, as is reflected in the Company's plans to increase spending to ¥5.0 billion during fiscal 2013.

Interest-bearing debt is set to increase from ¥68.4 billion to ¥85.9 billion in fiscal 2013, in line with the expansion of capital expenditure.

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**For further information, please contact:**

KUREHA CORPORATION

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## <Appendix>

### Condensed Consolidated Balance Sheets

( ¥ millions)

	31 March 2013	31 March 2012
<b>Assets</b>		
Current assets	68,210	66,821
Cash and cash equivalents	9,954	8,857
Fixed assets		
Tangible assets	99,444	87,118
Intangible assets	1,463	840
Investments and other assets	36,166	31,443
<b>Total Assets</b>	<b>205,284</b>	<b>186,223</b>
<b>Liabilities</b>		
Current liabilities	52,877	57,316
Short-term borrowings	18,088	16,049
Fixed liabilities	56,195	40,352
Corporate bonds	20,000	20,000
Long-term borrowings	15,359	15,634
<b>Total Liabilities</b>	<b>109,073</b>	<b>97,669</b>
<b>Net Assets</b>		
Shareholders' equity	90,580	89,051
Reevaluation and conversion differences, etc.	3,303	-1,444
Minority interest	2,264	864
<b>Total Net Assets</b>	<b>96,211</b>	<b>88,554</b>
<b>Total Liabilities and Net Assets</b>	<b>205,284</b>	<b>186,223</b>

### Condensed Consolidated Statement of Income

( ¥ millions)

	March 2013	March 2012
<b>Sales</b>	<b>130,550</b>	<b>128,358</b>
Cost of goods sold	96,782	93,368
Selling, general and administrative expenses	25,309	26,518
<b>Operating income</b>	<b>8,458</b>	<b>8,472</b>
Non-operating income	1,648	1,189
Non-operating expenses	3,536	1,794
<b>Recurring income</b>	<b>6,570</b>	<b>7,867</b>
Extraordinary gains	550	1,145
Extraordinary losses	1,654	5,824
<b>Income before income taxes</b>	<b>5,466</b>	<b>3,188</b>
Taxes and adjustments	2,297	1,501
Minority interest	-44	226
<b>Net income</b>	<b>3,212</b>	<b>1,460</b>

# Results for the Year ended March 31, 2013

Kureha Corporation

May 16, 2013

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# 1. Fiscal 2012 Results and Fiscal 2013 Forecasts

# Financial Highlights

KUREHA CORPORATION

( unit: 100million yen )

	FY2011			FY2012						FY2013 Estimate							
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-year change				Consolidated	Non-consolidated	Ratio	Year-on-year change			
							Consolidated	Non-consolidated	Consolidated	Non-consolidated							
Net sales	1,284	731	1.8	1,306	738	1.8	22	2%	7	1%	1,400	780	1.8	95	7.2%	42	5.7%
Operating income	85	61	1.4	85	73	1.2	-0	0%	12	20%	90	63	1.4	5	6.4%	-10	-13.6%
Recurring income	79	62	1.3	66	75	0.9	-13	-16%	13	21%	85	68	1.3	19	29.4%	-7	-9.7%
Net income	15	10	1.4	32	41	0.8	18	120%	30	294%	45	38	1.2	13	40.1%	-3	-6.4%
Total assets	1,862	1,513	1.2	2,053	1,665	1.2	191	10%	152	10%							
Shareholders' equity	886	848	1.0	962	892	1.1	77	9%	44	5%							
Net income per share	yen 8.51	yen 6.00	1.4	yen 18.71	yen 23.64	0.8	yen 10.20	120%	yen 17.64	294%							
Shareholder's equity per share(yen)	yen 510.37	yen 493.67	1.0	yen 546.69	yen 518.93	1.1	yen 36.32	7%	yen 25.26	5%							
Equity ratio	% 47.0	% 56.0	0.8	% 45.7	% 53.5	0.9	% -1.3	-	% -2.5	-							

**KUREHA**

# Key Indicators

KUREHA CORPORATION

( unit : 100 million yen )

	FY2011			FY2012						FY2013 Estimate							
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-year change				Consolidated	Non-consolidated	Ratio	Year-on-year change			
							Consolidated	Non-consolidated	Consolidated	Non-consolidated				Consolidated	Non-consolidated		
Capital Expenditure	144	72	2.0	200	116	1.7	56	39%	45	62%	230	170	1.4	30	15%	54	46%
Depreciation	96	80	1.2	89	62	1.4	-7	-7%	-18	-22%	95	63	1.5	6	7%	1	1%
R&D expenses	51	48	1.1	44	41	1.1	-7	-13%	-7	-15%	50	46	1.1	6	13%	5	13%
Interest-bearing debt	567	406	1.4	684	493	1.4	118	21%	87	22%	859	648	1.3	175	26%	155	31%
Net interest expense	-1	8	-	-2	8	-	-1	-	0	3%	0	10	-	2	-	2	25%
Exchange rate	79.09 yen/US\$, 109.17 yen/EUR			82.98 yen/US\$, 107 yen/EUR						95 yen/US\$, 125 yen/EUR							
Dividend per share	10 yen/year			10 yen/year						10 yen/year (estimate)							
Employees	4,032	1,628	2.5	4,046	1,687	2.4	14	0%	59	4%	4,133	1,726	2.4	87	2%	39	2%

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# Balance Sheets

KUREHA CORPORATION

## 1. Assets

(Unit: 100 million yen)

	As of Mar. 31, 2012		As of Mar. 31, 2013		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	89	34	100	49	11	15
Accounts and notes receivable-trade	296	174	275	162	-21	-13
Inventories	222	160	253	190	32	30
Other current assets	62	86	55	84	-8	-3
Sub total	668	454	682	485	14	30
Property, plant and equipment	871	537	994	585	123	48
Intangible assets	8	4	15	7	6	2
Investments and other assets	314	517	362	588	47	71
Sub total	1,194	1,059	1,371	1,180	177	121
Total	1,862	1,513	2,053	1,665	191	152

## 2. Liabilities and net assets

(Unit: 100 million yen)

	As of Mar. 31, 2012		As of Mar. 31, 2013		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable-trade	193	85	159	68	-33	-17
Interest-bearing debt	567	406	685	493	118	87
Reserves	39	21	37	22	-2	1
Other liabilities	179	153	210	190	32	37
Sub total	977	665	1,091	773	114	108
Common stock	125	125	125	125	0	0
Capital reserves	92	102	100	102	9	0
Retained earnings	720	631	726	654	6	23
Treasury stock, at cost	-45	-45	-45	-45	0	0
Valuation and translation adjustment	-14	35	33	55	47	20
Share warrant	1	1	1	1	0	0
Minority interests	9	-	23	-	14	-
Sub total	886	848	962	892	77	44
Total	1,862	1,513	2,053	1,665	191	152

**KUREHA**

# Analysis of Recurring Income

KUREHA CORPORATION

## Recurring Income

(Unit:100 million yen)

	FY2011		FY2012		Change
Kureha	62.1	79%	75.3	115%	13.3
Consolidated subsidiaries	28.2	36%	-1.3	-2%	-29.5
Equity-method affiliates	2.1	3%	2.8	4%	0.7
Consolidation adjustments	-13.8	-17%	-5.5	-8%	8.3
<b>Total</b>	<b>78.7</b>	<b>100%</b>	<b>65.7</b>	<b>100%</b>	<b>-13.0</b>

## Reasons for earnings increase/decrease

(Unit: 100 million yen)

	Reasons for increase		Reasons for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Pharmaceutical patent settlement	10	Decreased sales volume	-3	13.3
	Increased unit sales price	3	Increased unit price of purchased products, raw materials and fuels	-8	
	Differing inventories levels	7	Increased manufacturing fixed costs	-5	
	Decreased general and administrative costs	9	Increased direct marketing costs	-1	
	Increased non-operating income	1			
		30		-17	
Consolidated subsidiaries	Domestic specialty plastics business	2	Domestic advanced materials business	-9	-29.5
			Overseas advanced materials business	-17	
			Overseas specialty plastics business	-2	
			Others	-3	
		2		-31	

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# Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2011		FY2012			
				Amount		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary Income	Subsidy income	-	-	3.1	-	3.1	-
	Compensation income	-	-	1.5	-	1.5	-
	Gain on business transfer	7.0	7.0	-	-	-7.0	-7.0
	Gain on sales of investment securities	0.8	0.8	0.0	0.0	-0.8	-0.8
	Gain on sales of noncurrent assets	1.3	0.0	0.1	0.0	-1.2	0.0
	Others	2.3	0.9	0.8	0.4	-1.5	-0.5
	<b>Total</b>	<b>11.5</b>	<b>8.7</b>	<b>5.5</b>	<b>0.5</b>	<b>-6.0</b>	<b>-8.3</b>
Extraordinary Loss	Loss on sales and retirement of noncurrent assets	15.3	12.0	8.1	9.5	-7.2	-2.5
	Provision for environmental measures	0.3	0.3	2.6	3.4	2.6	3.4
	Loss on reduction of noncurrent asset	-	-	1.5	-	1.5	-
	Loss on disaster	38.0	40.6	-	-	-38.0	-40.6
	Others	5.0	2.1	4.3	3.5	-0.7	1.4
	<b>Total</b>	<b>58.2</b>	<b>54.7</b>	<b>16.5</b>	<b>16.4</b>	<b>-41.7</b>	<b>-38.3</b>

**KUREHA**

(Unit: 100 million yen)

		FY2011		FY2012		FY2013 Estimate	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	128	96	143	122	160	113
	Increase/decrease in assets and liabilities	8	-19	-25	-32	-54	-32
	Payments of corporation tax	-9	-1	-12	-3	-20	-17
	Other-net	-5	-4	-4	6	7	15
Total		121	73	102	93	92	79
Cashflow from investing activities		-142	-81	-196	-147	-282	-238
Cashflow from financing activities		4	-8	102	69	157	138
Effect of exchange rate change on cash and cash equivalents		-3	0	2	0	0	0
Net increase (decrease) in cash and cash equivalents		-19	-16	11	15	-32	-20
Cash and cash equivalents at beginning of year		107	50	89	34	100	49
Cash and cash equivalents at end of year		89	34	100	49	68	29

## 2. Consolidated Net Sales and Operating Income by Segment

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## <Advanced Materials>

(Unit:100 million yen)

		FY2011	FY2012		FY2013 Estimate				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Carbon products	69	44	-26	-37%	52	8	19%
		Advanced plastics	147	137	-11	-7%	154	17	13%
		Others	3	4	1	32%	4	0	0%
		Total	220	185	-35	-16%	210	25	14%
	Consolidated subsidiaries	216	221	5	3%	270	49	22%	
	Consolidation adjustments	-123	-129	-6	-	-150	-21	-	
	Total	313	277	-36	-12%	330	53	19%	
Consolidated operating income		5	-21	-27	-	-20	1	-	

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# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## <Specialty Chemicals>

(Unit:100 million yen)

		FY2011	FY2012		FY2013 Estimate				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Industrial chemicals	90	94	4	4%	100	6	6%
		Agrochemicals	76	83	7	9%	93	10	12%
		Pharmaceuticals	80	98	18	23%	92	-6	-6%
		Total	246	275	29	12%	285	10	4%
		Consolidated subsidiaries	85	83	-2	-3%	86	4	4%
		Consolidation adjustments	-30	-29	0	-	-31	-2	-
	Total	302	328	27	9%	340	12	4%	
Consolidated operating income		47	61	14	30%	54	-7	-12%	

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## <Specialty Plastics>

( Unit:100 million yen)

			FY2011	FY2012		FY2013 Estimate			
				Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Kureha	Food packaging materials	96	79	-17	-18%	82	3	4%
		Household products	140	178	38	27%	180	2	1%
		Fishing lines	11	-	-11	-100%	-	-	-
		Others	18	21	3	16%	23	2	11%
		Total	265	278	13	5%	285	7	3%
	Consolidated subsidiaries	194	215	21	11%	235	20	9%	
	Consolidation adjustments	-82	-84	-2	-	-90	-6	-	
	Total	377	409	32	9%	430	21	5%	
Consolidated net income			22	30	8	34%	39	9	31%

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## < Construction – related >

( Unit:100 million yen)

		FY2011	FY2012		FY2013 Estimate			
			Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Construction-related business	292	247	-45	-15%	210	-37	-15%
	Consolidated adjustments	-129	-98	32	-	-70	28	-
	<b>Total</b>	<b>163</b>	<b>150</b>	<b>-13</b>	<b>-8%</b>	<b>140</b>	<b>-10</b>	<b>-6%</b>
Consolidated operating income		11	10	-1	-7%	6	-4	-42%

## < Other Operations >

( Unit:100 million yen)

			FY2011	FY2012		FY2013 Estimate			
				Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Kureha	Environmental	75	88	13	17%	101	13	15%
		Logistics and warehousing business	106	103	-3	-3%	106	3	3%
		Trading	18	23	5	26%	23	0	0%
		Others	22	21	-1	-4%	20	-1	-5%
		<b>Total</b>	<b>222</b>	<b>236</b>	<b>14</b>	<b>6%</b>	<b>250</b>	<b>14</b>	<b>6%</b>
	Consolidation adjustments	-92	-94	-2	-	-90	4	-	
	<b>Total</b>	<b>130</b>	<b>142</b>	<b>12</b>	<b>10%</b>	<b>160</b>	<b>18</b>	<b>13%</b>	
Consolidated operating income			9	6	-3	-34%	13	7	112%

**KUREHA**

### 3. Consolidated Companies



# Consolidated Companies

KUREHA CORPORATION

As at March 31, 2013, the Kureha group consisted of Kureha Corporation, 39 subsidiaries (of which 37 were consolidated) and five affiliates (of which two were accounted for by the equity method)..

(Unit :100million yen)

		FY2011		FY2012		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Kureha Corporation</b>		731	1,513	738	1,665	7	152
<b>Kureha Trading Co., Ltd. and one group company</b>		271	126	275	136	4	10
<b>Advanced Materials</b>	Kureha Corporation	220	-	185	-	-35	-
	Kureha Trading Co., Ltd. and one group company	88	-	91	-	3	-
	Kureha Battey Materials Japan and two group companies	23	38	41	48	18	9
	Kureha Extech Co., Ltd.	19	24	16	25	-4	1
	Nihon Extron Co., Ltd.	14	16	13	15	-1	-1
	Kureha GmbH	15	10	17	9	2	-1
	Kureha America Inc.and three group companies	33	222	34	246	2	23
	Kureha Chemicals Shanghai Co., Ltd.	23	27	9	25	-15	-2
	Kureha (China) Investment Co.,Ltd and one group company	-	20	1	61	1	42
	Consolidation adjustments	-123	-	-129	-	-6	-
<b>Total</b>		<b>313</b>	<b>-</b>	<b>277</b>	<b>-</b>	<b>-36</b>	<b>-</b>
<b>Specialty Chemicals</b>	Kureha Corporation	247	-	275	-	29	-
	Kureha Trading Co., Ltd.	85	-	83	-	-2	-
	Consolidation adjustments	-29	-	-29	-	-0	-
<b>Total</b>		<b>302</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>26</b>	<b>-</b>
<b>Specialty Plastics</b>	Kureha Corporation	265	-	278	-	13	-
	Kureha Trading Co., Ltd.	80	-	79	-	-1	-
	Kureha Gosen Co., Ltd.	30	21	36	32	5	11
	Krehalon Industrie B.V. and three group companies(*1)	61	42	73	46	12	4
	Kureha Vietnam Co., Ltd.	23	38	27	41	4	3
	Consolidation adjustments	-82	-	-84	-	-2	-
<b>Total</b>		<b>377</b>	<b>-</b>	<b>409</b>	<b>-</b>	<b>32</b>	<b>-</b>

**KUREHA**

# Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2011		FY2012		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Construction - related</b>	Kurehanishiki Construction Co., Ltd. and three group companies	193	96	190	92	-2	-4
	Kureha Engineering Co., Ltd.	100	44	57	34	-43	-10
	Consolidation Adjustments	-129	-	-98	-	32	-
	<b>Total</b>	<b>163</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-13</b>	<b>-</b>
<b>Other Operations</b>	Kureha Ecology Management Co., Ltd.	62	67	75	76	13	9
	Kureha Special Laboratory Co., Ltd.	13	8	13	8	0	0
	Kureha Unyu Co., Ltd. and six group companies	106	63	103	63	-3	0
	Kureha Trading Co., Ltd.	18	-	23	-	5	-
	Kureha Service Co., Ltd.	5	8	5	8	0	0
	Kureha Staff Service Co., Ltd.	17	7	16	6	-1	-1
	Consolidation Adjustments	-92	-	-94	-	-1	-
<b>Total</b>	<b>129</b>	<b>-</b>	<b>142</b>	<b>-</b>	<b>13</b>	<b>-</b>	
(Number of consolidated companies)		(38)		(37)		-	-
<b>Consolidation Total</b>		<b>1,284</b>	<b>1,862</b>	<b>1,306</b>	<b>2,053</b>	<b>22</b>	<b>191</b>
Equity-method affiliates	Nangtong SKT New Material Co., Ltd.	28		30		2	0
	Bio Hard Carbon Co., Ltd. (*2)	-		-			

\*1 Assets of Krehalon Benelux N.V. were acquired by Krehalon France & Benelux S.A.S.

\*2 Bio Hard Carbon Co., Ltd. was established as an equity-method affiliate of Kureha Battery Materials Japan Co., Ltd.

**KUREHA**

- These materials are supplied to provide a deeper understanding of our company, and are not intended as a solicitation for investment or other actions
- These materials were prepared by our company based on the information available at this point in time, however actual performance may produce results that differ from the plan, due to a variety of factors
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