

FY2017 1Q Highlights

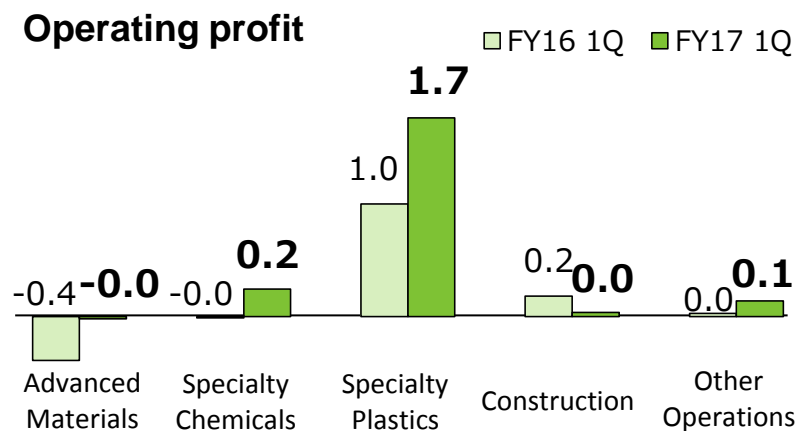
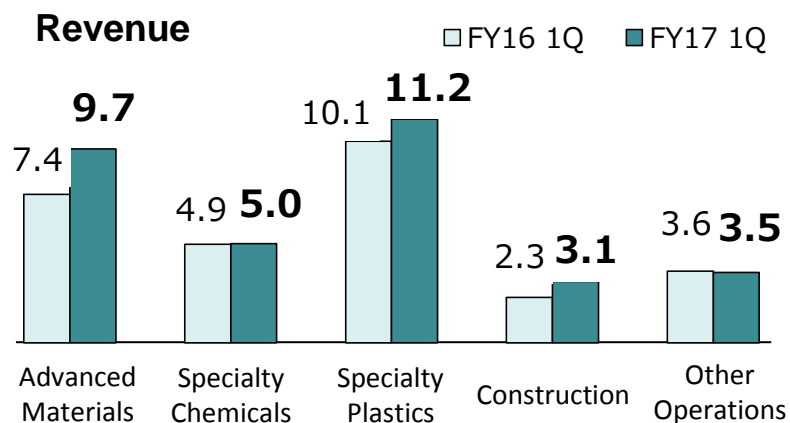
KUREHA CORPORATION

(billions of yen)

| | FY2016 1Q | FY2017 1Q |
|--------------------------|-----------|-------------|
| Revenue | 28.3 | 32.4 |
| Operating profit | 0.9 | 2.2 |
| Profit before income tax | 0.3 | 2.3 |
| Profit for the period* | -0.0 | 1.6 |

*Profit attributable to the owners of Kureha Corporation

Segment performance



FY2017 1Q vs. FY2016 1Q

Revenue: ¥4.15b (14.7%) up
 - Increased revenues from Advanced Materials and Specialty Plastics segments

Operating profit: ¥1.32b (145.4%) up
 - Improvements in Advanced Materials and Specialty Plastics segments

Profit before income tax: ¥2.06b (751.4%) up
 - Higher operating profit, a decrease in finance costs including foreign exchange losses

Profit for the period*: ¥1.64b up

FY2017 1Q Highlights

KUREHA CORPORATION

(billions of yen)

FY2016 1Q

| | Advanced Materials | Specialty Chemicals | Specialty Plastics | Construction | Other Operations | Segment Total | Adjustment | Total |
|--------------------------|--------------------------------------------|---------------------|--------------------|--------------|------------------|---------------|------------|-------|
| Revenue | 7.4 | 4.9 | 10.1 | 2.3 | 3.6 | 28.3 | ----- | 28.3 |
| Elimination | | | | | | | 0.0 | ----- |
| Other income | | | | | | | 0.1 | ----- |
| Other expenses | | | | | | | 0.0 | ----- |
| Operating profit | -0.4 | -0.0 | 1.0 | 0.2 | 0.0 | 0.8 | 0.1 | 0.9 |
| Finance income | | | | | | | 0.2 | ----- |
| Finance costs | *includes a foreign exchange loss of ¥0.7b | | | | | | 0.9 | ----- |
| Profit before income tax | | | | | | | | 0.3 |
| Profit for the period | | | | | | | | -0.0 |

FY2017 1Q

| | Advanced Materials | Specialty Chemicals | Specialty Plastics | Construction | Other Operations | Segment Total | Adjustment | Total |
|--------------------------|--------------------|---------------------|--------------------|--------------|------------------|---------------|------------|-------|
| Revenue | 9.7 | 5.0 | 11.2 | 3.1 | 3.5 | 32.4 | ----- | 32.4 |
| Elimination | | | | | | | 0.0 | ----- |
| Other income | | | | | | | 0.2 | ----- |
| Other expenses | | | | | | | 0.0 | ----- |
| Operating profit | -0.0 | 0.2 | 1.7 | 0.0 | 0.1 | 2.1 | 0.2 | 2.2 |
| Finance income | | | | | | | 0.3 | ----- |
| Finance costs | | | | | | | 0.2 | ----- |
| Profit before income tax | | | | | | | | 2.3 |
| Profit for the period | | | | | | | | 1.6 |

Advanced Materials Segment

KUREHA CORPORATION

(billions of yen)

| | FY2016 1Q | FY2017 1Q | Change YOY |
|----------------------------------|--------------|--------------|---------------|
| Advanced Materials | | | |
| Revenue (Kureha Co.) | | | |
| Advanced plastics | 4.6 | 5.8 | 27% |
| Carbon products | 1.0 | 1.1 | 17% |
| Revenue: Kureha Co. | 5.6 | 7.0 | 25% |
| Revenue: Subsidiaries | 5.3 | 5.5 | 3% |
| Elimination | -3.5 | -2.8 | -- |
| Kureha-G Revenue | 7.4 | 9.7 | 31% |
| Kureha-G Operating Profit | -0.4 | -0.0 | -- |

Advanced plastics

- Operating loss narrowed on improved revenues from PVDF (LiB binder applications), PPS and PGA (shale oil/gas extraction applications)

Carbon products

- Returned to generating operating profit through enhanced cost management, despite flat revenue growth

Specialty Chemicals Segment

KUREHA CORPORATION

(billions of yen)

| | FY2016 1Q | FY2017 1Q | Change YOY |
|----------------------------------|--------------|--------------|---------------|
| Specialty Chemicals | | | |
| Revenue (Kureha Co.) | | | |
| Agrochemicals | 0.2 | 0.9 | 273% |
| Pharmaceuticals | 1.7 | 0.9 | -49% |
| Industrial chemicals | 2.1 | 2.4 | 15% |
| Revenue: Kureha Co. | 4.1 | 4.2 | 3% |
| Revenue: Subsidiaries | 1.6 | 1.5 | -6% |
| Elimination | -0.7 | -0.7 | -- |
| Kureha-G Revenue | 4.9 | 5.0 | 1% |
| Kureha-G Operating Profit | -0.0 | 0.2 | -- |

Agrochemicals

- Improved revenue and profit on higher fungicides volumes

Pharmaceuticals

- Decreased revenue and profit due to a volume decline for kidney therapeutic agent (Kremezin)

Industrial chemicals

- Improved revenue and profit on volumes growth in organic and inorganic chemicals

Specialty Plastics Segment

KUREHA CORPORATION

(billions of yen)

| | FY2016 1Q | FY2017 1Q | Change YOY |
|----------------------------------|--------------|--------------|---------------|
| Specialty Plastics | | | |
| Revenue (Kureha Co.) | | | |
| Home products | 4.8 | 5.3 | 9% |
| Packaging materials | 1.6 | 1.6 | 3% |
| Revenue: Kureha Co. | 6.4 | 6.9 | 8% |
| Revenue (subsidiaries) | | | |
| Packaging materials | 2.7 | 2.9 | 8% |
| Fiber products | 0.9 | 1.1 | 20% |
| Others | 1.6 | 1.8 | 8% |
| Revenue: Subsidiaries | 5.2 | 5.7 | 10% |
| Elimination | -1.5 | -1.4 | -- |
| Kureha-G Revenue | 10.1 | 11.2 | 11% |
| Kureha-G Operating Profit | 1.0 | 1.7 | 77% |

Home products

- Increased revenue and profit on steady volume growth for plastic wrap (NEW Krewrap) and fluorocarbon fishing lines (Seaguar)

Packaging materials

- Improved revenue and profit on volume growth for heat shrink multilayer film

Construction & Other Operations Segments

(billions of yen)

| | FY2016 1Q | FY2017 1Q | Change YOY |
|----------------------------------|--------------|--------------|---------------|
| Construction | | | |
| Revenue (subsidiaries) | | | |
| Construction | 4.4 | 4.7 | 8% |
| Elimination | -2.1 | -1.7 | -- |
| Kureha-G Revenue | 2.3 | 3.1 | 35% |
| Kureha-G Operating Profit | 0.2 | 0.0 | -79% |
| Other Operations | | | |
| Revenue (subsidiaries) | | | |
| Environmental engineering | 1.9 | 2.0 | 3% |
| Logistics | 2.1 | 2.1 | -1% |
| Hospital operations | 0.9 | 0.9 | -5% |
| Others | 0.5 | 0.5 | 3% |
| Revenue: Subsidiaries | 5.4 | 5.4 | 0% |
| Elimination | -1.8 | -1.9 | -- |
| Kureha-G Revenue | 3.6 | 3.5 | -2% |
| Kureha-G Operating Profit | 0.0 | 0.1 | 360% |

Construction

- Decreased profit due to slow engineering business, despite growth of construction business in private and public sectors

Other operations

- Environmental Engineering: Narrowed operating loss with improved industrial waste treatment business
- Logistics: Improved profit by reducing costs, despite a decline in revenue
- Hospital operations: Decreased profit on lower revenue

Balance Sheet

KUREHA CORPORATION

(billions of yen)

Assets

| | Mar. 31 2017 | Jun. 30 2017 | Change |
|---------------------------------|-----------------|-----------------|-------------|
| Cash and cash equivalents | 6.2 | 6.2 | -0.0 |
| Trade and other receivables | 29.4 | 25.2 | -4.1 |
| Inventories | 36.5 | 35.7 | -0.8 |
| Other current assets | 3.2 | 2.8 | -0.3 |
| Total current assets | 75.3 | 70.0 | -5.3 |
| Property, plant and equipment | 115.9 | 115.4 | -0.5 |
| Intangible assets | 1.4 | 1.3 | -0.1 |
| Investments and other assets | 42.3 | 45.2 | 2.9 |
| Total non-current assets | 159.6 | 161.9 | 2.3 |
| Total assets | 234.9 | 231.9 | -3.0 |

Liabilities and Equity

| | Mar. 31 2017 | Jun. 30 2017 | Change |
|-------------------------------------|-----------------|-----------------|-------------|
| Trade and other payables | 20.4 | 18.6 | -1.8 |
| Interest-bearing debt | 71.0 | 67.8 | -3.2 |
| Provisions | 6.1 | 4.6 | -1.5 |
| Other liabilities | 11.4 | 12.4 | 0.9 |
| Total liabilities | 108.9 | 103.4 | -5.5 |
| Shareholders' equity | 12.5 | 12.5 | — |
| Capital surplus | 9.4 | 9.4 | 0.0 |
| Less: Treasury stock | -4.5 | -4.4 | 0.0 |
| Retained earnings | 101.7 | 101.5 | -0.2 |
| Other components of equity | 5.1 | 7.8 | 2.7 |
| Non-controlling interests | 1.7 | 1.7 | 0.0 |
| Total equity | 126.0 | 128.5 | 2.5 |
| Total liabilities and equity | 234.9 | 231.9 | -3.0 |



Key Indicators

KUREHA CORPORATION

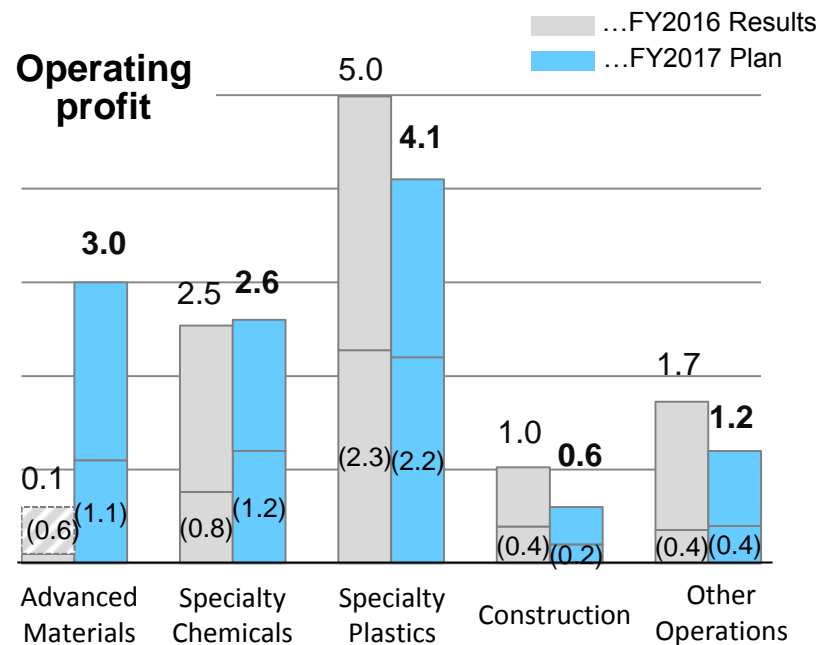
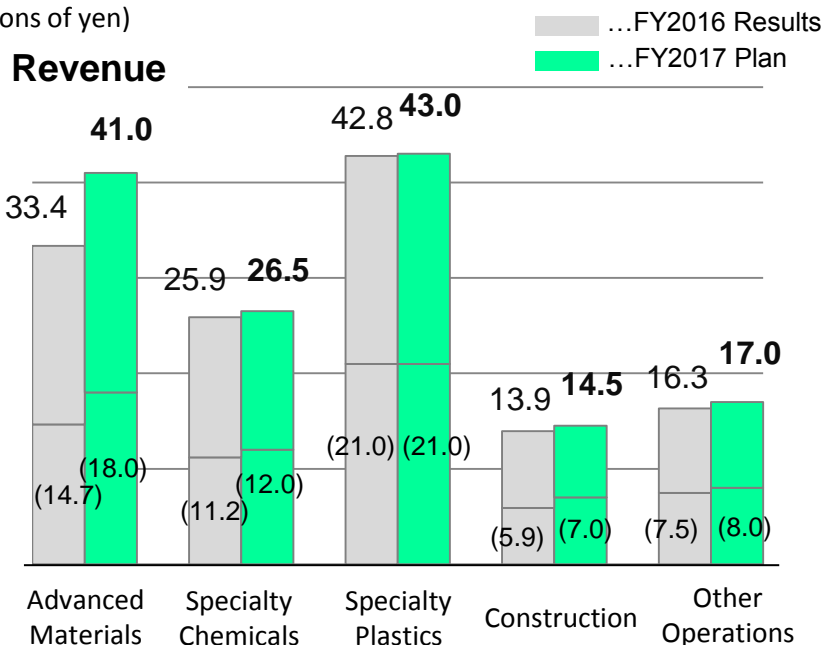
| | | FY2016 1Q | FY2016 Full-year | FY2017 1Q | FY2017e Full-year |
|-------------------------|---------------|--------------|---------------------|--------------|----------------------|
| (billions of yen) | | | | | |
| Capital expenditure | | 2.8 | 10.3 | 1.7 | 14.0 |
| Depreciation | | 2.5 | 10.2 | 2.4 | 10.5 |
| R&D expenses | | 1.1 | 4.7 | 1.2 | 5.5 |
| Interest-bearing debt | | 78.6 | 71.0 | 67.8 | 58.6 |
| Currency exchange rates | | | | | |
| 1USD: | Average | ¥108.0 | ¥108.3 | ¥111.1 | ¥110.0 |
| | End of period | ¥102.9 | ¥112.2 | ¥112.0 | ¥110.0 |
| 1EUR: | Average | ¥121.9 | ¥118.8 | ¥122.3 | ¥115.0 |
| | End of period | ¥114.4 | ¥119.8 | ¥128.0 | ¥115.0 |
| 1CHY: | Average | ¥16.5 | ¥16.1 | ¥16.2 | ¥15.5 |
| | End of period | ¥15.5 | ¥16.3 | ¥16.5 | ¥15.5 |

FY2017 Full-Year Outlook 1

KUREHA CORPORATION

*Our earnings estimates for FY2017 have been unchanged from the initial estimates announced on May 12, 2017.

(billions of yen)



*Amounts for the 1st half of the year are shown in parentheses

Factors attributing to FY2017 segment operating profit

Advanced Materials: Continued PVDF, PPS and carbon fiber growth and a start-up of new PGA business scheme

Specialty Chemicals: Improved agrochemicals more than offsetting a negative impact of generic competition in pharmaceuticals

Specialty Plastics: Increased costs for promotions

Construction: Increased labor and materials costs

Other operations: Intensified competition in the environmental business

KUREHA

FY2017 Full-Year Outlook 2

KUREHA CORPORATION

*Our earnings estimates for FY2017 have been unchanged from the initial estimates announced on May 12, 2017.

| FY2016 | Advanced Materials | Specialty Chemicals | Specialty Plastics | Construction | Other Operations | Segment Total | Adjustment | Group Total |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------|--------------------|--------------|------------------|---------------|------------|-------------|
| Net sales | 33.4 | 25.9 | 42.8 | 13.9 | 16.3 | 132.3 | | 132.3 |
| Adjustment | | | | | | | 0.1 | |
| Other income | <i>Includes ¥1B subsidy income</i> | | | | | | 1.4 | |
| Other expenses | <i>Includes ¥1.9B business withdrawal/restructuring costs, ¥0.5B loss on reduction of noncurrent assets</i> | | | | | | 2.6 | |
| Operating income | 0.1 | 2.5 | 5.0 | 1.0 | 1.7 | 10.4 | -1.1 | 9.3 |
| Financial income | | | | | | | 0.6 | |
| Financial expenses | | | | | | | 0.9 | |
| Income before income tax | | | | | | | | 9.0 |
| Net income attributable to Kureha | | | | | | | | 7.0 |
| FY2017e | Advanced Materials | Specialty Chemicals | Specialty Plastics | Construction | Other Operations | Segment Total | Adjustment | Group Total |
| Net sales | 41.0 | 26.5 | 43.0 | 14.5 | 17.0 | 142.0 | | 142.0 |
| Adjustment | | | | | | | 0.1 | |
| Other income | | | | | | | 0.2 | |
| Other expenses | <i>Includes ¥0.8B loss on reduction of noncurrent assets</i> | | | | | | 0.8 | |
| Operating income | 3.0 | 2.6 | 4.1 | 0.6 | 1.2 | 11.5 | -0.5 | 11.0 |
| Financial income | | | | | | | 0.5 | |
| Financial expenses | | | | | | | 0.5 | |
| Income before income tax | | | | | | | | 11.0 |
| Net income attributable to Kureha | | | | | | | | 8.4 |

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