

Kureha Corporation Reports Fiscal 2018 Results (IFRS)

Tokyo, Japan – June 2019 – Kureha Corporation (“Kureha”), a leading global supplier of specialty chemicals and plastics, has reported its results for the fiscal year ended March 31, 2019 (FY2018), the final year of the FY2016-2018 mid-term management plan Kureha’s Challenge 2018. On a consolidated basis, revenue increased slightly year-on-year to 148.3 billion yen, while operating profit climbed by 32.4% to 17.2 billion yen. Profit before income tax rose by 37.5% to 17.4 billion yen, resulting in a 43.7% increase in profit attributable to the owners of Kureha to 13.9 billion yen.

Factors that contributed to this strong result include higher sales volumes in the Advanced Materials segment, particularly the polyglycolic acid (PGA) business and the high-demand polyvinylidene fluoride (PVDF) business; drastically reduced asset retirement and impairment losses; and continued Group-wide efforts to improve operational efficiency.

Yutaka Kobayashi, President and Chief Executive Officer, said, “We are pleased to be able to finish Kureha’s Challenge 2018 on such a strong note. We surpassed the plan’s operating profit target of 14.0 billion yen by a significant margin, and also achieved a return on sales exceeding 10%, a level typically required for specialty chemicals companies. I would like to express my deep gratitude to all Group employees for their diligent efforts over these three years. To show our appreciation to our shareholders for their continuous support, we have increased the yearly dividend from 125 yen to 165 yen per share.”

However, while Kureha made much progress, several key strategic goals were not fulfilled. These include the expansion of the PGA business and the exploration of new business themes to underpin Kureha’s future growth. To complete the measures remaining from Kureha’s Challenge 2018, Kureha has extended the mid-term management plan by two years. The extended plan, named Kureha’s Challenge 2020 (FY2019–2020), will solidify the foundation for Kureha’s future expansion through significant increases in capital investment and R&D expenditure to expand production capacity and explore new businesses.

Mr. Kobayashi added, “We will take a close look at our operations, particularly the PGA business, which is gaining momentum but still not performing satisfactorily, and the PVDF business, where we are planning capacity expansion due to fierce demand for binder materials for lithium-ion batteries (LiB) used in electric vehicles. These two businesses will

be our pillars for long-term growth. Other key focus areas include further differentiating existing businesses from competitors. Here, development of new downstream applications for various markets and fields will be important. We will also be more aggressive in seeking new business opportunities around the globe, and strengthen our Group-wide management foundation through a range of measures to improve efficiency, corporate governance, quality and safety. While there are challenges ahead, our ambition is to achieve a new target of 18.0 billion yen in operating profit by FY2020.”

An important part of the plan will be to address key issues that are shaping Kureha’s operational environment, particularly the rapid digitization of the world and rising global concerns regarding the use of plastics. In response, Kureha will introduce “smart” operation models across production and R&D, and explore ways in which the Group can contribute to resolving the challenges facing the plastics industry.

Mr. Kobayashi comments: “As a producer of advanced plastics, the Kureha Group must do everything it can to help resolve the plastics challenge and preserve the environment for future generations. In addition to measures within our corporate group, I believe our innovative capabilities can contribute significantly toward a solution. This issue goes to the heart of the kind of corporation Kureha aspires to be – a high-value-added enterprise built on technology that is not only leading-edge in the field of specialty chemicals, but also actively contributes to global society.”

Summary of Consolidated Full-year Results

(Billions of yen, except where stated)

	FY2017	FY2018	Change (%)	FY2018 (targets)	FY2020 (targets)
Revenue	147.3	148.3	0.6	160.0	157.0
Operating profit	13.0	17.2	32.4	14.0	18.0
Profit before income tax	12.7	17.4	37.5	14.0	18.0
Profit attributable to the owners of Kureha	9.7	13.9	43.7	9.0	14.0
Earnings per share (yen)	507.5	679.6	-	-	-
ROE (%)	7.1%	9.0%	-	6%-	8%
ROA (%)	5.3%	7.1%	-	-	7%

Performance by Segment

Consolidated Performance by Segment

(Billions of yen)

Segment		FY2017	FY2018
Advanced Materials	Revenue	41.6	45.7
	Operating profit (loss)	1.7	4.6
Specialty Chemicals	Revenue	26.2	27.3
	Operating profit (loss)	3.4	3.3
Specialty Plastics	Revenue	45.4	45.1
	Operating profit (loss)	6.9	6.7
Construction	Revenue	17.4	12.4
	Operating profit (loss)	1.0	0.7
Other Operations	Revenue	16.8	17.6
	Operating profit (loss)	1.8	2.1
Segment total	Revenue	147.3	148.3
	Operating profit (loss)	14.9	17.4
Adjustments		-1.9	-0.2
Total	Revenue	147.3	148.3
	Operating profit (loss)	13.0	17.2

Advanced Materials Segment

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

Advanced Materials revenue rose 10% year-on-year to 45.7 billion yen while operating profit jumped from 1.7 billion yen to 4.6 billion yen.

Advanced plastics: Continued momentum for PGA and PVDF

In the PGA business, higher sales volumes of frac plugs for shale gas and oil extraction enabled revenue of 4.4 billion yen and a significant decrease in the operating loss. While this business is still not performing as originally envisaged, it is clearly gaining momentum. Kureha's innovative degradable frac plugs have now been adopted by 17 field operators in the United States, up by 13 since the beginning of FY2018. Full-bore trials with major operators are ongoing, and contract negotiations are under way. The first field trial for an improved ultra-low temperature grade frac plug has been successfully completed, and other location trials are being prepared.

Demand for PVDF, an LiB binder material for which Kureha holds a 40% worldwide market share, continued to grow at a rapid rate due to the expanding global market for electric and plug-in hybrid electric vehicles, particularly in China. All of Kureha's PVDF plants are now operating at full capacity, including the latest addition in Iwaki launched in 2019. The

continued high demand led operating profit in the PVDF business to increase 166.7% to 2.4 billion yen year-on-year.

The polyphenylene sulfide (PPS) business continued to see demand growth for automotive applications, since its combination of light weight and heat stability makes it an excellent replacement for metals. However, operating profit continued to be affected by Hurricane Florence, which in September 2018 severely disrupted production at Fortron Industries, Kureha's joint venture with Celanese in North Carolina.

Carbon products: Continued healthy growth

The carbon products business continued to see healthy growth, driven by demand for heat-insulating materials used in the manufacturing of ingots for semiconductors, as well as the positive benefits of higher prices and operational improvements during the previous fiscal year. Revenue increased by 4% to 5.1 billion yen, leading to a rise in operating profit.

Outlook: In FY2019, Kureha expects to grow the PGA business in the North American market by expanding the product line-up with frac plugs that degrade at various temperatures. This is key to expanding the number of customers and raising sales volumes. Revenue from the PGA business is estimated to reach 6.4 billion yen, which will enable profitability and put Kureha on track to reaching the target of 1.0 billion yen in operating profit in FY2020.

In the PVDF business, the intense demand is expected to continue, leading to further growth in revenue and operating income. To ensure adequate supply, an additional capacity increase of at least 5,000 tons/year is scheduled to come online in 2023.

The PPS business is forecast to recover fully from the effects of the hurricane in 2018, benefitting from solid demand from the automotive industry for weight-reducing metal substitutes. To capture this demand, a new production facility is under construction at the Iwaki Factory and will be operational in February 2021.

The carbon products business will see further demand for insulation materials, but sales of other types of carbon materials are forecast to decline, which will affect profits.

Segment revenue is expected to increase by 10% to 50.5 billion yen, while operating profit will climb by 30% to 6.0 billion yen.

Specialty Chemicals Segment

Major product areas: industrial chemicals, agrochemicals, pharmaceuticals

Specialty Chemicals revenue grew by 4% to 27.3 billion yen while operating profit decreased by 4% to 3.3 billion yen.

Agrochemicals: Lower sales volumes of fungicide

In the agrochemicals business, inventory adjustments affected sales volumes of fungicides, leading to reduced revenue and operating profit.

Pharmaceuticals: Revenue and operating profit growth for *Kremezin* tablets

In the pharmaceuticals business, sales volumes increased for the new tablet version of *Kremezin*, a therapeutic agent for chronic kidney disease, which was launched in FY2017, leading to a rise in operating profit that more than offset the negative effect of national drug price revisions.

Industrial chemicals: Revenue and operating profit rise on volume growth

The industrial chemicals business saw increases in both revenue and operating profit following measures to improve the operating margin including price adjustments and cost reductions.

Outlook: In FY2019, Kureha expects to see strong sales of the new *Kremezin* tablets, which will mitigate the effects of national drug price revisions. In the agrochemicals business, inventory adjustments will continue to weigh on revenue and operating profit.

In industrial chemicals, sales volumes for certain products are forecast to decline, which will affect revenue and operating profits. However, Kureha will continue its efforts to improve the operating margin.

Segment revenue is forecast to decline slightly to 27.0 billion yen, while operating profit will fall by 18% to 2.7 billion yen.

Specialty Plastics Segment

Major product areas: household packaging products, food packaging materials, auto-packaging machinery

Specialty Plastics segment revenue fell to 45.1 billion yen from 45.4 billion yen. Operating profit also decreased slightly to 6.7 billion yen.

Home products: Higher costs offset sales volume growth

While the home products business saw higher sales volumes of Kureha's flagship *NEW Krewrap* plastic wrap and the *Kichinto-san* product series, operating profit growth was more than offset by rising costs related to raw materials and sales promotion.

Fiber products: Continued growth momentum for *Seaguar* fishing lines

Kureha continued to enjoy strong sales volumes of *Seaguar* fishing lines in North America, leading to an increase in operating profit for this business.

Food packaging materials: Lower earnings for heat-shrink multilayer film

Lower sales volumes of heat-shrink multilayer film in overseas markets, caused by intense competition, led to decreases in revenue and operating profit

Outlook: In FY2019, Kureha expects to see continued sales growth for *NEW Krewrap* and the *Kichinto-san* series in the home products business, although higher costs, including for sales promotion, will negatively affect operating profit. Likewise, sales of *Seaguar* fishing lines are forecast to maintain their healthy momentum although higher depreciation expenses will weigh on operating profit. In food packaging materials, Kureha will continue its strategy of expanding sales of value-added film products in the Europe and Oceania regions. However, market competition is expected to remain fierce, causing revenue to remain flat and operating profits to decrease.

Segment revenue is forecast to remain nearly unchanged at 45.0 billion yen, while operating profit will decline by 9% to 6.1 billion yen.

Construction and Other Operations

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

Construction: Earnings affected by lower demand for private sector projects

In FY2018, lower demand for private sector construction projects affected earnings, more than offsetting healthy sales volume growth for public projects in the engineering business. As a result, revenue for Kureha's Construction segment fell by 28% to 12.4 billion yen, while operating profit decreased to 0.7 billion yen.

Other Operations: Waste treatment business continues its growth trajectory

In the environmental engineering business, Kureha's industrial waste treatment business continued on the growth trajectory seen since the previous year. In the logistics business, operating profit continued to rise despite lower revenue, primarily due to successful measures to boost operational efficiency and cut costs. In the hospital business, revenue returned to a growth track, leading to an increase in operating profit. As a result, revenue in Other Operations increased by 5% to 17.6 billion yen while operating profit climbed by 15% to 2.1 billion yen.

Outlook: In FY2019, earnings in the Construction segment is expected to be affected by lower demand for post-quake reconstruction, while higher labor and raw material costs will weigh on operating profit. Segment revenue is forecast to remain largely unchanged at 12.5 billion yen while operating profit will decline by 40% to 0.4 billion yen.

In Other Operations, Kureha expects to see continued healthy growth in the logistics and hospital businesses, but intensifying competition in the industrial waste treatment business will affect revenue and operating profit. Segment revenue is expected to fall slightly to 17.0 billion yen while operating profit will decline by 14% to 1.8 billion yen.

Outlook for FY2019

(Billions of yen, except where stated)

	FY2018	FY2019	Change (%)
Revenue	148.3	152.0	2.5
Operating profit	17.2	26.0	51.4
Profit before income tax	17.4	26.0	49.1
Profit attributable to the owners of Kureha	13.9	19.5	39.9
Earnings per share (yen)	679.6	962.2	-

In FY2019, Kureha expects revenue growth to be driven mainly by the Advanced Materials segment. Alongside the fast-growing PVDF business, the PGA business is projected to pick up further momentum and achieve profitability. The PPS business will also fully recover from the hurricane damage to make a full-fledged contribution to earnings. In the Specialty Chemicals segment, continued healthy sales volumes for the new *Kremezin* tablets will also contribute to overall earnings.

Together with a rise in other income from asset sales, this growth will more than offset profit declines and cost increases projected for other segments. In addition, Kureha will also continue to reap the benefits of its group-wide program to raise operational efficiency and reduce costs.

As a result, while revenue for the Kureha Group will rise only slightly, operating profit is expected to climb by 51.4% to 26.0 billion yen. Profit attributable to the owners of Kureha is forecast to increase 39.9% to 19.5 billion yen for the fiscal year, resulting in a profit per share of 962.2 yen and a full-year dividend per share of 170 yen.

Capex, Depreciation, R&D and Debt

(Billions of yen)

	FY2017	FY2018	FY2019
Capital expenditure	9.8	13.2	17.0
Depreciation	9.9	10.3	11.5
R&D	5.0	5.3	6.4
Interest-bearing debt	48.1	39.0	39.5

Backed by strong financial fundamentals, Kureha continues to invest heavily in future expansion for sustained long-term growth. Capital expenditure in FY2018 increased year-on-year to 13.2 billion yen, mainly for upgrades to PVDF and PPS production facilities and processes. Looking ahead to FY2019, capital expenditure will be substantially increased by 29% to 17.0 billion yen to enable continued expansion of PPS production, upgrade production processes for existing products and fortify resources for new business development.

Depreciation, mainly due to Kureha's ongoing expansion of production facilities, rose slightly to 10.3 billion yen year-on-year and is projected to rise to 11.5 billion yen in FY2019. Kureha also successfully continued its reduction of interest-bearing debt, which fell from 48.1 billion yen to 39.0 billion yen year-on-year. In FY2019, interest-bearing debt will remain at a similar level.



R&D spending, which rose from 5.0 billion yen to 5.3 billion yen year-on-year, will be strengthened to 6.4 billion yen in FY2019. The main purposes of this investment will be to accelerate the development of new products and promising research themes, and to improve process technologies and develop downstream businesses. Where appropriate, Kureha will seek to collaborate with third-party companies, universities and other organizations. By FY2020, R&D investment is projected to reach 6.6 billion yen.

For further information, please contact:

KUREHA CORPORATION

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Condensed Consolidated Balance Sheets

As of March 31, 2018 and 2019
(Millions of yen)

	March 2018	March 2019
Assets		
Current assets	76,963	78,777
Cash and cash equivalents	6,475	5,989
Noncurrent assets	165,318	168,574
Property, plant and equipment	114,236	117,553
Intangible assets	1,336	1,094
Investments and other assets	49,745	49,927
Total assets	242,281	247,352
Liabilities and net assets		
Current liabilities	62,595	63,995
Short-term borrowings	25,759	23,038
Fixed liabilities	27,644	21,188
Corporate bonds	13,951	11,949
Long-term borrowings	7,707	3,565
Total liabilities	90,240	85,184
Net assets		
Shareholders' equity	150,193	160,551
Minority interest	1,847	1,616
Total net assets	152,041	162,167
Total liabilities and net assets	242,281	247,352

Condensed Consolidated Statement of Income

As of March 31, 2018 and 2019
(Millions of yen)

	March 2018	March 2019
Revenue	147,329	148,265
Cost of goods sold	107,300	104,683
Selling, general and administrative expenses	27,193	28,051
Operating profit	12,973	17,172
Profit before income taxes	12,683	17,435
Taxes and minority interest adjustments	2,869	3,435
Profit attributable to the owners of Kureha	9,697	13,933

FY2018 Financial Results

(Period April 1, 2018 – March 31, 2019)

KUREHA CORPORATION

May 14, 2019

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1. FY2018 Results

(April 1, 2018 – March 31, 2019)

FY2018 Highlights

KUREHA CORPORATION

(in billions of yen, except where stated otherwise)

	FY2017	FY2018	Change YOY(%)	Mid-term Plan Targets
Revenue	147.3	148.3	0.9 (0.6%)	160
Operating profit	13.0	17.2	4.2 (32.4%)	14
Profit before income tax	12.7	17.4	4.8 (37.5%)	14
Profit attributable to owners of Kureha Corp.	9.7	13.9	4.2 (43.7%)	9
ROE	7.1%	9.0%		6.0%
ROA	5.3%	7.1%		
ROS	8.8%	11.6%		8.8%
EPS	¥507.5	¥679.6		
Per-share dividend	¥125.0	¥165.0		

FY2018 vs. FY2017

- Revenue growth driven by Advanced Materials more than offsetting a sharp decline in Construction
- Higher operating profit led by Advanced Materials and fewer 'Other Expenses'
- Profit before income tax increased on higher operating profit and improved net financial income
- Profit for the period increased on higher profit before income tax

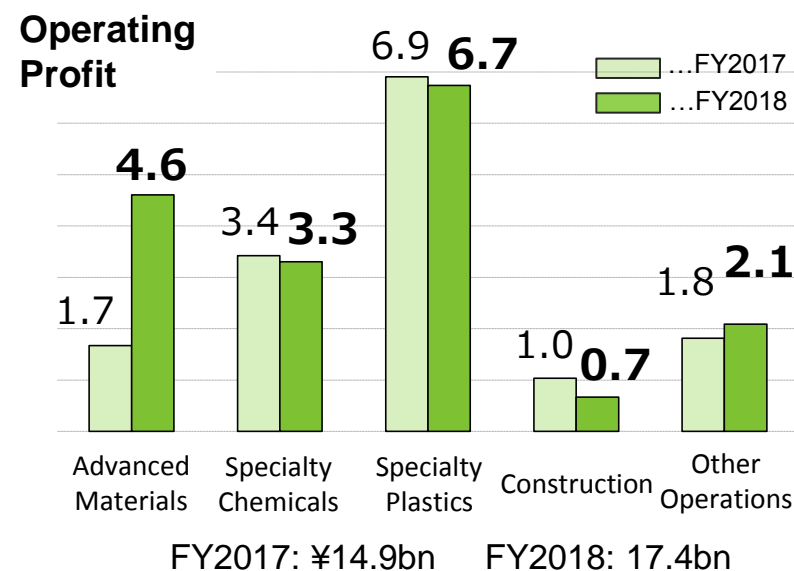
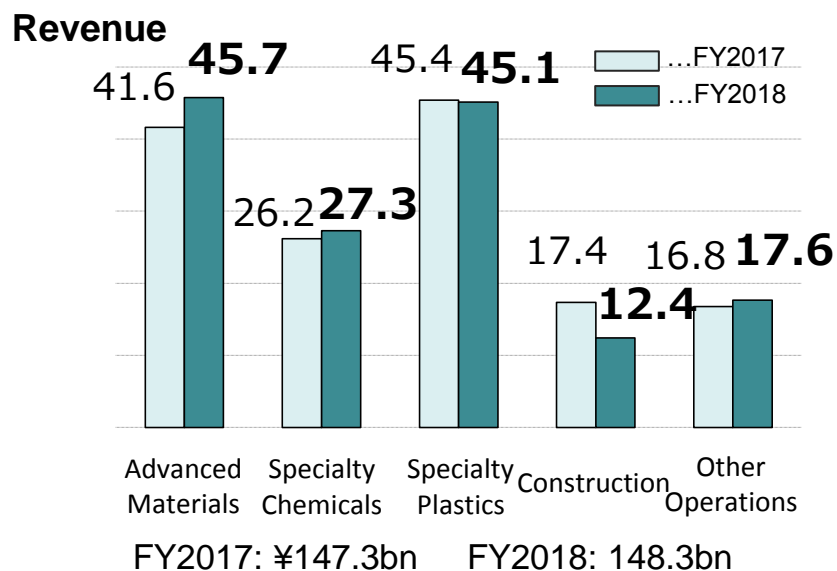
Note: ROE=Profit attributable to owners of Kureha/Shareholder's equity
 ROA=Profit before tax/Total assets
 ROS=Operating profit/Revenue
 EPS=Profit attributable to owners of Kureha/Number of shares (term average)



FY2018 Highlights

KUREHA CORPORATION

Segment Performance: FY2018 vs. FY2017



Factors attributing to operating profit (vs. FY2017)

- AM: Higher earnings in advanced plastics and carbon products
- SC: Lower agrochemicals earnings; higher earnings generated by pharmaceuticals and industrial chemicals
- SP: Lower earnings in home products and packaging materials; higher fiber products earnings
- CO: Lower earnings in private sector construction business
- OO: Higher earnings in logistics and hospital operations, flat growth in environmental engineering

FY2018 Highlights

KUREHA CORPORATION

(billions of yen)

FY2017	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Segment Total	Adjustment	Total
Revenue	41.6	26.2	45.4	17.4	16.8	147.3	-----	147.3
Elimination							0.2	-----
Other income	*Subsidy income: ¥0.3bn						0.5	-----
Other expenses	*Loss on retirement of non-current assets: ¥1.3bn, Loss on non-current asset impairment: ¥0.7bn, Environment-related expenses: ¥0.4bn						2.6	-----
Operating profit	1.7	3.4	6.9	1.0	1.8	14.9	-1.9	13.0
Finance income							0.6	-----
Finance costs							0.9	-----
Profit before income tax								12.7
Profit for the period								9.7

FY2018	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Segment Total	Adjustment	Total
Revenue	45.7	27.3	45.1	12.4	17.6	148.3	-----	148.3
Elimination							0.1	-----
Other income	*Subsidy income: ¥0.3bn						0.6	-----
Other expenses	*Loss on retirement of non-current assets: ¥0.8bn						0.9	-----
Operating profit	4.6	3.3	6.7	0.7	2.1	17.4	-0.2	17.2
Finance income							0.7	-----
Finance costs							0.4	-----
Profit before income tax								17.4
Profit for the period								13.9

FY2018 Highlights

KUREHA CORPORATION

Other Income and Expenses

FY2017

Other income **¥0.5 billion**

Subsidy income: ¥0.3bn

*Includes government's subsidies for post-quake restoration initiatives

Other: ¥0.2bn

Other expenses **¥2.6 billion**

Loss on retirement/sales of noncurrent assets:
¥1.3bn

Impairment loss: ¥0.7bn

*Related to former PVDC plant and China carbon fiber facilities

Provision for environmental measures: ¥0.4bn

Other: ¥0.2bn

FY2018

Other income **¥0.6 billion**

Subsidy income: ¥0.3bn

*Includes government's subsidies for post-quake restoration initiatives

Other: ¥0.2bn

Other expenses **¥0.9 billion**

Loss on retirement/sales of noncurrent assets:
¥0.8bn

Other: ¥0.1bn

Segment Performance: Advanced Materials

(billions of yen)

	FY2017	FY2018	Change %
Advanced Materials			
Advanced plastics	24.4	27.3	12%
Carbon products	4.9	5.1	4%
Revenue: Kureha Co.	29.4	32.5	10%
Revenue: Subsidiaries	29.6	31.3	6%
Elimination	-17.3	-18.1	--
Kureha-G Revenue	41.6	45.7	10%
Kureha-G Operating Profit	1.7	4.6	176%

FY2018 vs. FY2017

Revenue  Operating Profit 

Advanced plastics

Revenue up; Ope. profit up:

- Higher PVDF (LiB binder applications) and PGA (oil/gas drilling applications) sales volumes
- Lower profit gains for PPS

Carbon products

Revenue up; Ope. profit up:

- Higher carbon fiber volume

Segment Performance: Specialty Chemicals

(billions of yen)

	FY2017	FY2018	Change %
Specialty Chemicals			
Agrochemicals	9.2	8.3	-9%
Pharmaceuticals	3.8	5.1	32%
Industrial chemicals	9.4	10.1	7%
Revenue: Kureha Co.	22.4	23.5	5%
Revenue: Subsidiaries	6.5	7.1	9%
Elimination	-2.7	-3.3	--
Kureha-G Revenue	26.2	27.3	4%
Kureha-G Operating Profit	3.4	3.3	-4%

FY2018 vs. FY2017

Revenue  Operating Profit 

Agrochemicals

Revenue down, Ope. profit down:
- Lower fungicides volumes

Pharmaceuticals

Revenue up, Ope. profit up:
- Higher Kremezin volume more than offsetting the negative effect of mandatory price revisions

Industrial chemicals

Revenue up, Ope. profit up:
- Higher prices penetrating among customers

Segment Performance: Specialty Plastics

(billions of yen)

	FY2017	FY2018	Change %
Specialty Plastics			
Home products	20.7	20.8	0%
Packaging materials	6.3	6.2	-1%
Revenue: Kureha Co.	27.0	27.1	0%
Packaging materials	13.1	12.6	-4%
Fiber products	4.2	4.4	5%
Others	7.4	6.7	-9%
Revenue: Subsidiaries	24.8	23.8	-4%
Elimination	-6.4	-5.7	--
Kureha-G Revenue	45.4	45.1	-1%
Kureha-G Operating Profit	6.9	6.7	-2%

FY2018 vs. FY2017

Revenue ↓ Operating Profit ↓

Home products

Revenue up, Ope. profit down:

- Volumes growth for NEW Krewrap (plastic wrap) and Seaguar (fishing lines) more than offset by increased costs

Packaging materials

Revenue down, Ope. profit down:

- Lower heat-shrink multilayer film volume

Fiber products

Revenue up, Ope. profit up:

- Higher fishing line sales volume

Segment Performance: Construction & Other Operations

(billions of yen)

	FY2017	FY2018	Change %
Construction			
Construction	23.9	20.3	-15%
Elimination	-6.6	-7.9	--
Kureha-G Revenue	17.4	12.4	-28%
Kureha-G Operating Profit	1.0	0.7	-36%
Other Operations			
Environmental engineering	11.0	12.0	9%
Logistics	8.3	8.3	0%
Hospital operations	3.6	3.7	3%
Others	1.8	1.9	5%
Revenue: Subsidiaries	24.7	25.9	5%
Elimination	-7.9	-8.3	--
Kureha-G Revenue	16.8	17.6	5%
Kureha-G Operating Profit	1.8	2.1	15%

FY2018 vs. FY2017

Revenue ↓ Operating Profit ↓

Construction

- Fewer construction projects in private sector more than offsetting steady volume growth in public engineering business

Revenue ↑ Operating Profit ↑

Environmental Engineering

Revenue up, Ope. profit up:
- Volume growth in industrial waste treatment business

Logistics

Revenue down, Ope. profit up:

Hospital Operations

Revenue up, Ope. profit up:

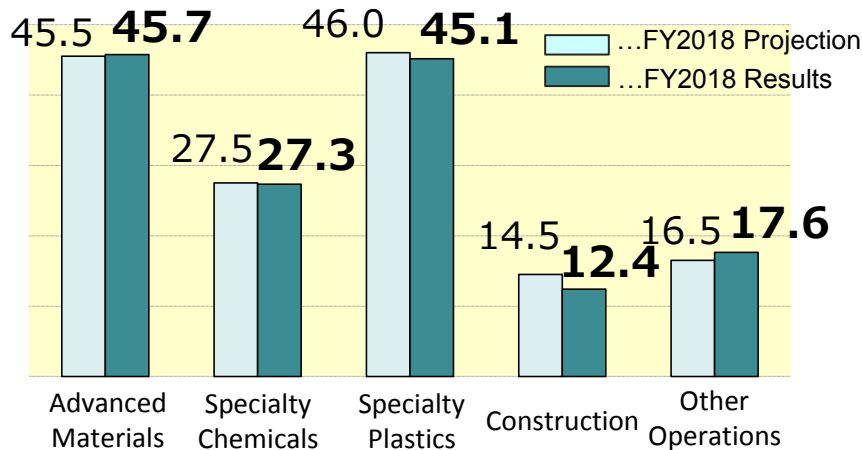
FY2018 Results vs. Projection

KUREHA CORPORATION

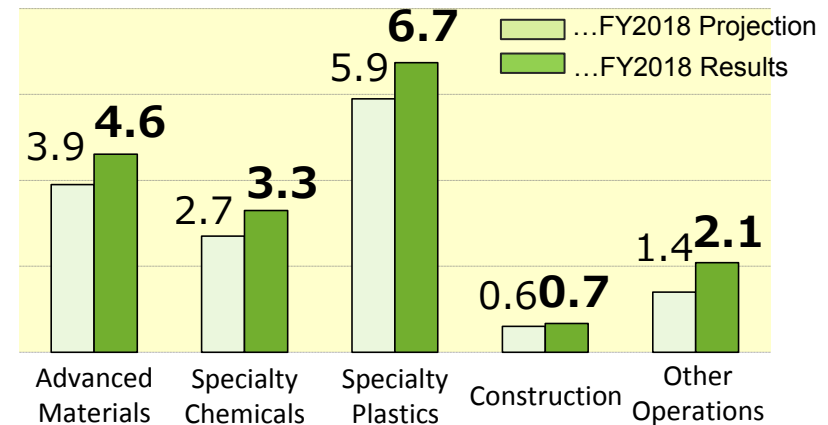
(billions of yen)

FY2018 Results vs. Projection (May 2018)

Revenue Projection: ¥150bn Results: ¥148.3bn



Operating profit Projection: ¥14bn Results: ¥17.2bn



*Exchange rates: Initial assumption → Actual

1USD = ¥105 → ¥110.9

1EUR = ¥130 → ¥128.4

1CHY = ¥16.5 → ¥16.5

Segment total Projection: ¥14.5bn, Results: ¥17.4bn
Other income/expenses Projection: ▲¥0.5bn, Results: ▲¥0.2bn

Factors attributing to operating profit (vs. Projection)

- AM: Higher earnings generated by PVDF and carbon products, lower earnings by PGA and PPS
- SC: Favorable currency effect for agrochemicals, higher earnings in industrial chemicals
- SP: Lower cost related to home products, higher earnings in fiber products
- CO: (Performed as planned)
- OO: Sales volume growth in industrial waste treatment business

Key Indicators

KUREHA CORPORATION

(billions of yen)

	FY2017			FY2018			Change YOY
	1H	2H	Full year	1H	2H	Full year	
Capital expenditure	4.0	5.8	9.8	5.8	7.4	13.2	35%
Depreciation	4.9	5.0	9.9	5.0	5.3	10.3	4%
R&D expenses	2.3	2.7	5.0	2.5	2.8	5.3	6%
Interest-bearing debt	56.0	48.1	48.1	45.9	39.0	39.0	-19%

(Currency exchange rates)

1USD:	Term average	¥111.0	¥110.7	¥110.9	¥110.3	¥111.6	¥110.9
	Term end	¥112.7	¥106.2	¥106.2	¥113.6	¥111.0	¥111.0
1EUR:	Term average	¥126.3	¥133.1	¥129.7	¥129.8	¥127.1	¥128.4
	Term end	¥132.9	¥130.5	¥130.5	¥132.1	¥124.6	¥124.6
1CHY:	Term average	¥16.4	¥17.1	¥16.7	¥16.7	¥16.3	¥16.5
	Term end	¥17.0	¥16.9	¥16.9	¥16.5	¥16.5	¥16.5

Financial Position

KUREHA CORPORATION

(billions of yen)

Assets

	Mar. 31 2018	Mar. 31 2019	Change
Cash and cash equivalents	6.5	6.0	-0.5
Trade and other receivables	32.7	30.7	-1.9
Inventories	36.0	38.3	2.3
Other current assets	1.8	3.7	1.9
Total current assets	77.0	78.8	1.8
Property, plant and equipment	114.2	117.6	3.3
Intangible assets	1.3	1.1	-0.2
Investments and other assets	49.7	49.9	0.2
Total non-current assets	165.3	168.6	3.3
Total assets	242.3	247.4	5.1

Liabilities and Equity

	Mar. 31 2018	Mar. 31 2019	Change
Trade and other payables	21.5	24.0	2.5
Interest-bearing debt	48.1	39.0	-9.1
Provisions	6.6	6.8	0.2
Other liabilities	14.0	15.3	1.3
Total liabilities	90.2	85.2	-5.1
Shareholders' equity	18.2	18.2	—
Capital surplus	15.3	15.0	-0.2
Less: Treasury stock	-0.7	-3.7	-3.0
Retained earnings	108.7	122.4	13.6
Other components of equity	8.7	8.7	-0.1
Non-controlling interests	1.8	1.6	-0.2
Total equity	152.0	162.2	10.1
Total liabilities and equity	242.3	247.4	5.1

Cash Flow

KUREHA CORPORATION

(billions of yen)

	FY2017	FY2018	Change
Profit before income tax	12.7	17.4	4.8
Depreciation	9.9	10.3	0.4
Other	-2.4	-4.4	-2.0
Cash flow from operating activities	20.2	23.4	3.2
Cash flow from investing activities	-9.7	-8.4	1.3
Cash flow from financing activities	-10.4	-15.5	-5.1
Effect of exchange rate changes on cash and cash equivalents	0.2	-0.0	-0.2
Increase/decrease in cash and cash equivalents	0.3	-0.5	-0.7
Cash and cash equivalents at beginning of period	6.2	6.5	0.3
Cash and cash equivalents at end of period	6.5	6.0	-0.5

2. Review and Extension of the Mid-Term Management Plan

Kureha's Challenge 2018 Review

KUREHA CORPORATION

“Kureha's Challenge 2018” (FY2016-2018 Mid-term Management Plan)

~ Product Differentiation & New Business Creation ~

Strategic Direction

Management Goals

- ◆ **Business strategies:**
 - Enhance competitiveness and earnings capacity of existing businesses
 - Expand the PGA business
 - Explore new business themes
- ◆ **Promote CSR-based management**
- ◆ **Strengthen management foundations**

Qualitative target: ¥14 billion in operating profit

FY2016-2018 is a period to lay the foundation for Kureha's future expansion

‘As a company built on technology, Kureha will develop differentiated products in the field of specialty chemicals and become a high value-added enterprise that continually contributes to global society’

KUREHA

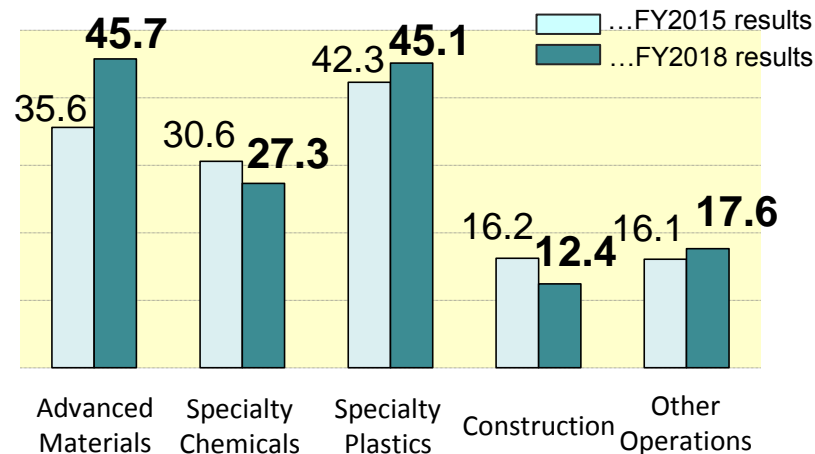
FY2018 Results vs. FY2015 Results

KUREHA CORPORATION

FY2018 Results vs. FY2015 Results (Final year of FY2012-2015 Mid-term Management)

Revenue

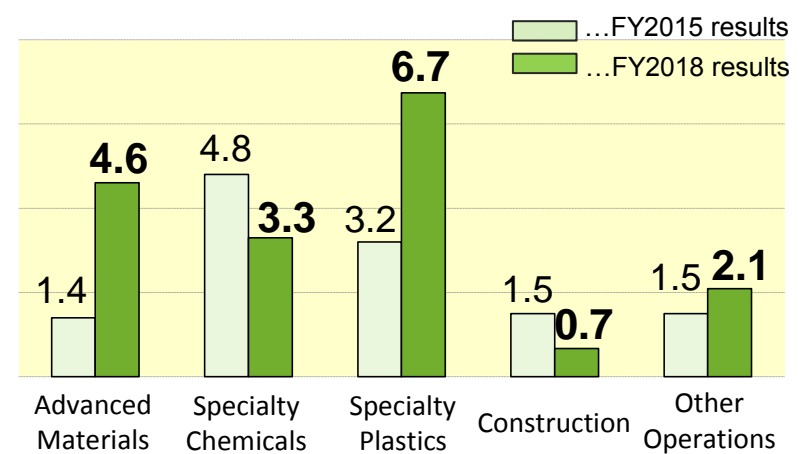
FY2015: ¥140.8bn FY2018: ¥148.3bn



Operating profit

(billions of yen)

FY2015: ¥7.4bn FY2018: ¥17.2bn



Segment total FY2015: ¥12.4bn, FY2018: ¥17.4

Other income/expenses FY2015: ▲¥5bn, FY2018: ▲¥0.2bn

Factors attributing to operating profit (vs. FY2015)

- AM: Earnings expanded for PVDF, improved operating margin for carbon products, Lower PPS earnings
- SC: Higher earnings generated by pharmaceuticals and agrochemicals
- SP: Higher earnings in home products and fiber products, improved operating margin for packaging materials
- CO: Lower earnings due to a decline in post-quake reconstruction demand
- OO: Higher earnings in environmental engineering, improved operating margin in logistics and hospital operation
- Other income/expenses: Structural reform cost (¥4.5bn/FY15), Loss on retirement of non-current assets (¥1.1bn)

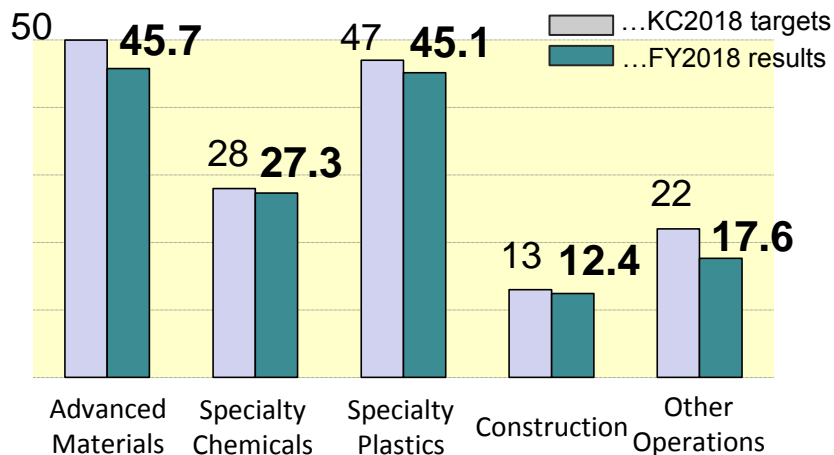
FY2018 Results vs. KC2018 Targets

KUREHA CORPORATION

FY2018 Results vs. KC2018 Initial Targets (FY2016-2018 Mid-term Management Plan)

Revenue

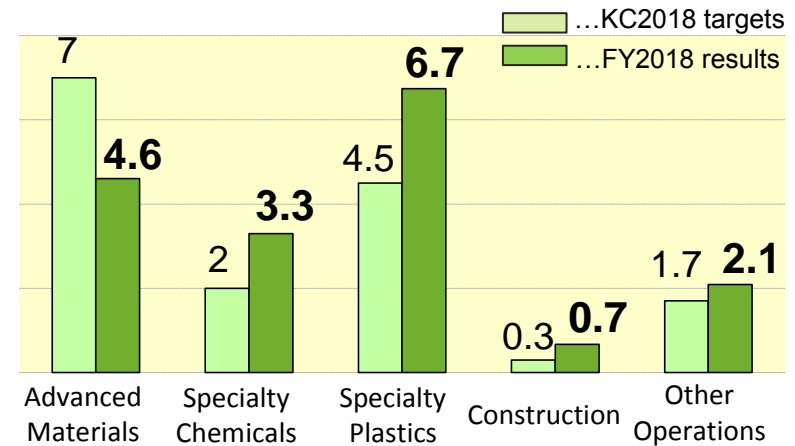
KC2018 Targets: ¥160bn FY2018 Results: ¥148.3bn



Operating profit

(billions of yen)

KC2018 Targets: ¥14bn FY2018 Results: ¥17.2bn



Segment total KC2018t: ¥15.5bn, FY2018: ¥17.4bn

Other income/expenses KC2018t: ▲¥1.5bn, FY2018: ▲¥0.2bn

Factors attributing to operating profit (vs. KC2018 targets)

AM: PVDF and carbon products exceeded earnings targets; PPS and PGA below targets

SC: Higher-than-targeted profit achieved in all product groups (agrochemicals, pharmaceuticals, industrial chemicals)

SP: Home products and fiber products exceeded targets; packaging materials below target

CO: Construction exceeded target due to lower cost

OO: Logistics and hospital operation exceeded targets; environmental engineering performed as planned

Other income/expenses: Loss on retirement of non-current assets decreased

From 'Kureha's Challenge 2018' To 'Kureha's Challenge 2020'

Kureha's Challenge 2018 (KC2018)

Kureha exceeded its quantitative target (achieved ¥17.2bn in operating profit) but was unable to complete the following strategic measures:

- ✓ PGA business expansion
- ✓ New business development
- ✓ Strengthening of management foundations

FY 2016 – 18

Kureha's Challenge 2020 (KC2020)

- **Complete the strategic measures remaining from KC2018**
- **Address emerging issues in response to changing business environment**

..and further solidify the foundation for Kureha's future expansion

2 more years

FY 2019 – 20

Kureha's Challenge 2020 Overview

KUREHA CORPORATION

“Kureha's Challenge 2020”

~ Product Differentiation & New Business Generation ~

Strategic Direction

Management Goals

- ◆ Expand the PGA business and generate earnings
- ◆ Strengthen the PVDF business for further expansion
- ◆ Optimize business model for existing businesses
- ◆ Globally explore and develop new businesses
- ◆ Strengthen management foundations

Qualitative target: ¥18 billion in operating profit

FY2018-2020 is a period to solidify the foundation for Kureha's future expansion

‘As a company built on technology, Kureha will develop differentiated products in the field of specialty chemicals and become a high value-added enterprise that continually contributes to global society’

KUREHA

KC2020: Qualitative Plan

KUREHA CORPORATION

(in billions of yen, except where stated otherwise)

	FY2018 Results	FY2020 Targets	Change
Revenue (% revenue overseas)	148.3 (30%)	157.0 (33%)	8.7
Operating profit (% operating margin)	17.2 (11.6%)	18.0 (11.5%)	0.8
Profit attributable to owners of Kureha Corp.	13.9	14.0	0.1

Currency exchange rates

(presumptions)

1USD:	¥110.9	¥110.0
1EUR:	¥128.4	¥125.0
1CHY:	¥16.5	¥16.5

	FY2018 Results	FY2020 Targets
ROE	9.0%	8.0%
ROA	7.1%	Same level as FY2018

	FY2018 Results	FY2019 -2020 Targets
Capital investment	13.2	38.0
R&D investment	5.3	13.0

KC2020: Qualitative Plan

KUREHA CORPORATION

(billions of yen)

	FY2018 Results		FY2020 Targets		Change 2020 vs. 2018	
	Revenue	Ope. profit	Revenue	Ope. profit	Revenue	Ope. profit
Advanced Materials	45.7	4.6	55	7.6	9.3	3.0
Specialty Chemicals	27.3	3.3	26	2.1	-1.3	-1.2
Specialty Plastics	45.1	6.7	46	6.2	0.9	-0.5
Construction	12.4	0.7	12.5	0.3	0.1	-0.4
Other operations	17.6	2.1	17.5	1.8	-0.1	-0.3
Adjustment, Other income & expenses		-0.2				0.2
Total	148.3	17.2	157	18	8.7	0.8

FY2020 vs. FY2018
Operating profit in
key businesses:

(AD)

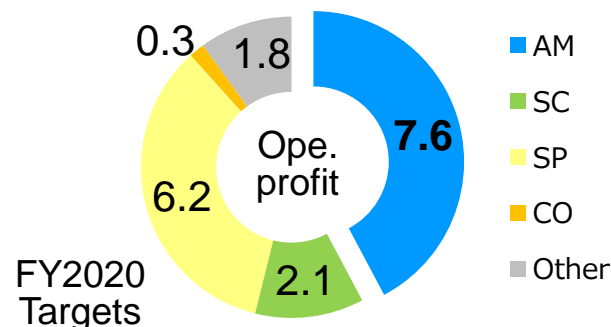
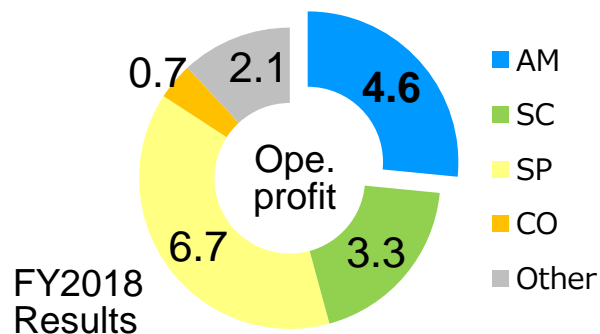
PGA ↑
PPS ↑
PVDF ↑
Carbon ↓

(SC)

Agrochemicals ↓
Pharmaceuticals ↑
Ind. Chemicals ↓

(SP)

Home products ↓
Packaging ↓



KC2020: Capital Expenditure, R&D

KUREHA CORPORATION

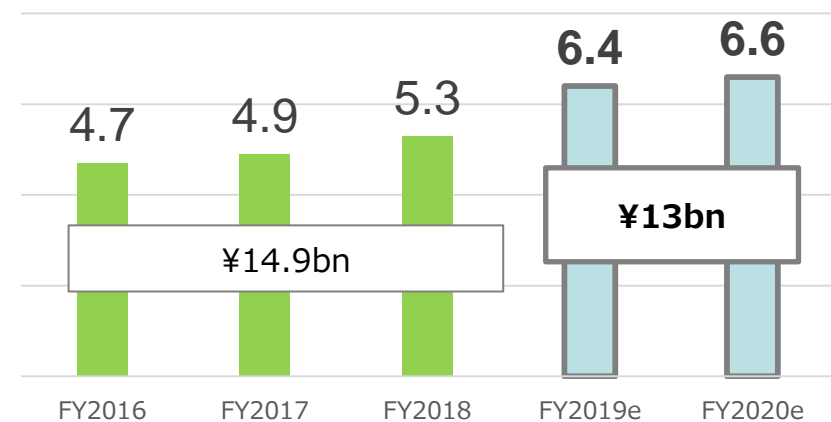
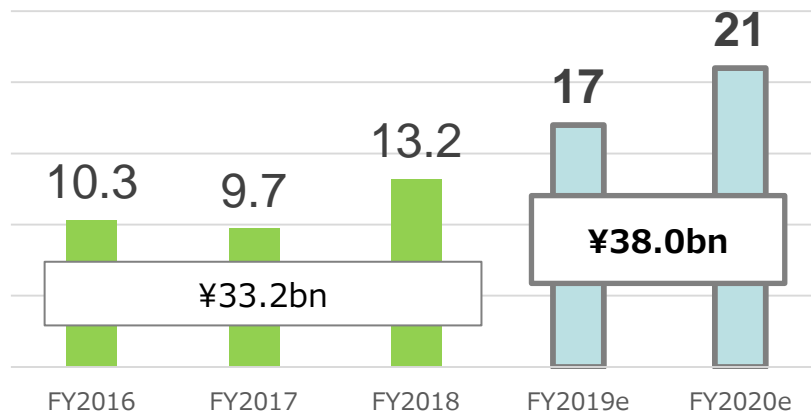
Kureha actively invests for its future expansion utilizing both operating cash flow and cash gained through effective use of assets

FY2019-20 Capital expenditure: ¥38bn

- PPS 5000t capacity increase (FY18-20): ¥5.6bn (of total ¥10bn)
- PVDF capacity increase, 5000t or more (FY20-22): ¥5bn (of total ¥10bn or more)
- New business development/R&D facilities, etc.: ¥2.6bn

FY2019-20 Research & Development: ¥13bn

- Accelerate the development of new businesses
- Improve process technologies and develop downstream businesses
- Accelerate the development of new azole-type agrochemicals
- Promote collaborative work with other companies and universities



KC2020: Action Plans

KUREHA CORPORATION

Developments in FY2016-2018 (KC2018)

Actions in FY2019-2020 (KC2020)

Expanding & Generating Profit in PGA Business

Established U.S. Kureha Energy Solutions to boost local sales & marketing functions; Launched low-temp degradable PGA frac plugs

Achieve profitability; accelerate sales expansion for ultra low-temp frac plugs in the US; Initiate business development in China

Improving Competitiveness & Profitability in Existing Businesses

AM

PVDF: Completed 2000t capacity increase (Jan 2019)

PPS: Determined 5000t capacity increase

Carbon Products: Achieved profitability by undertaking structural reforms

SC

Pharmaceuticals/Agrochemicals: Launched new easy-to-dissolve Kremezin tablets; Maintained steady agrochemicals sales

SP

Home Products: Promoted higher prices for added value among customers

Packaging Materials: Restructured the manufacturing and sales framework in EU

Fiber Products: Expanded the product lineup

CO

Construction: Achieved growth on increased post-quake reconstruction demand

Other

Environmental Engineering: Achieved volume growth in post-quake and low-level PCB wastes treatment

Enhancing PVDF Business for Further Expansion

Determine additional capacity increase; continue to promote quality differentiation

Optimizing Business Model for Existing Businesses

Start up a new PPS plant in Feb. 2021

Continue to make profit and promote quality differentiation in the Carbon Product business

Achieve sales expansion for new Kremezin tablets; develop new agrochemicals

Secure steady profit and explore East Asia markets for Home Products

Revise the business strategy for Packaging Materials

Launch new process technologies and develop new PVDF fiber products

Execute measures to strengthen the business foundation

Achieve volume growth for difficult-to-treat industrial waste treatment

KC2020: Action Plans

KUREHA CORPORATION

Developments in FY2016-2018 (KC2018)

Exploring New Business Themes

Identified and developed new business themes derived from market needs while collaborating with external parties

Promoting the CSR Management

Continued management in line with the corporate governance guidelines

Improved the CSR management system

Strengthening the Management Foundation

Reinforcing corporate governance: Established Nomination and Remuneration Committees; terminated executive/senior corporate advisers; revised the Director's compensation system

Improving manufacturing process technologies: Established a process laboratory and pilot plant

Reform Project: Achieved the cumulative cost reduction of ¥8.8bn (over FY2013-18 period)

Launched a project to improve productivity of manufacturing and administrative divisions

Improved training and education to cultivate human resources

Actions for FY2019-2020 (KC2020)

Exploring & Cultivating New Businesses Globally

Explore new business themes in Japan and overseas

Allocate resources to accelerate the development of downstream businesses and technology innovation

Speed up business launch by utilizing external resources

Strengthening the Management Foundation

Establish a value chain management system led by business divisions

Improve efficiency of group management and enhance its control system

Strengthen the systems to secure workplace safety, product quality and environmental sustainability

Further enhance operational efficiency and divisional functions through the Reform Project with a two-year cost reduction target at ¥1.5bn

Improve operations by utilizing digital technologies; Promote smart operation models for manufacturing and R&D

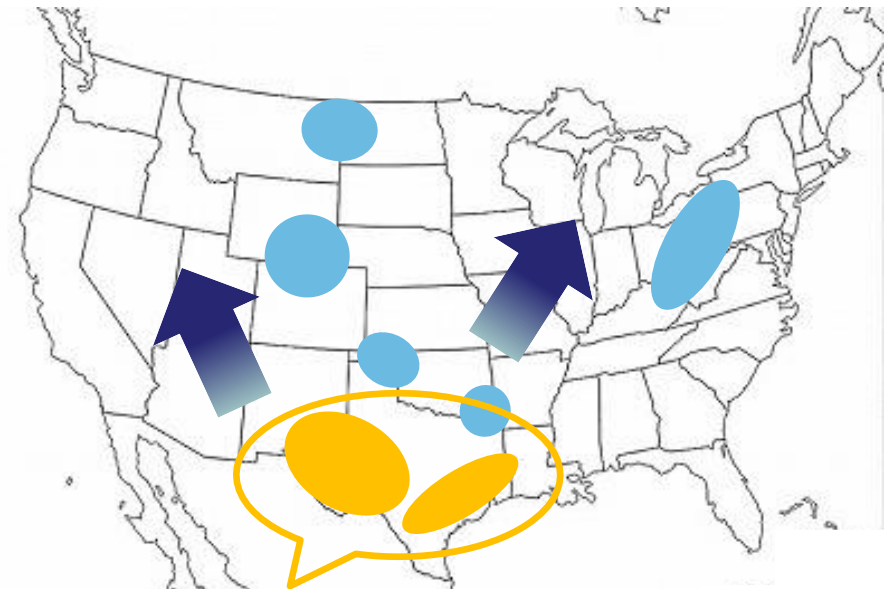
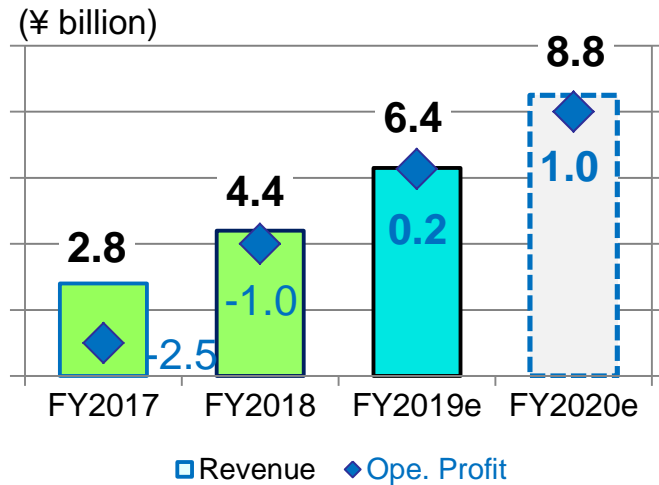
develop products to solve social issues including those targeted as the SDGs

Develop human resources required for global business operations and new business development

Expansion of PGA Business (PGA Frac Plugs for Shale Oil & Gas Drilling)

By expanding sales of Kureha original degradable frac plugs (KDPs), we aim to:

- Achieve profitability in FY2019
- Generate ¥1bn operating profit in FY2020



**Present target markets:
Permian and Eagle Ford regions**



Application of KDPs is expanding from partial (toe part) to full-bore use in a horizontal well.

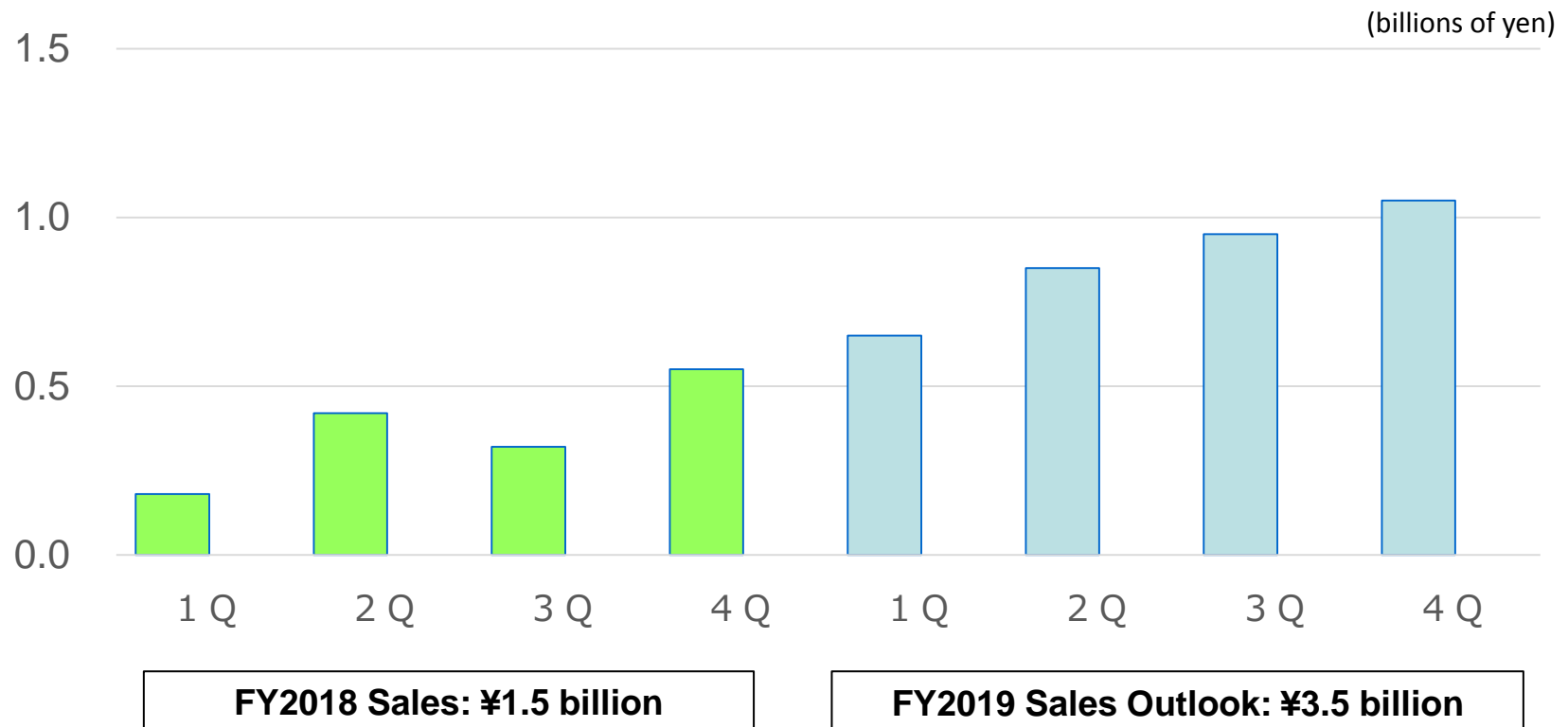


Kureha Degradable Plugs (KDPs)

- Currently adopted by 17 field operators (5 more since last February), sales also expanding in Bakken, Oklahoma, and Haynesville areas
- Are on full-bore trials with major operators— contract negotiations ongoing
- 1st field trial for improved ultra low-temp grade completed with positive results, other location trials under preparation

Expansion of PGA Business (PGA Frac Plugs for Shale Oil & Gas Drilling)

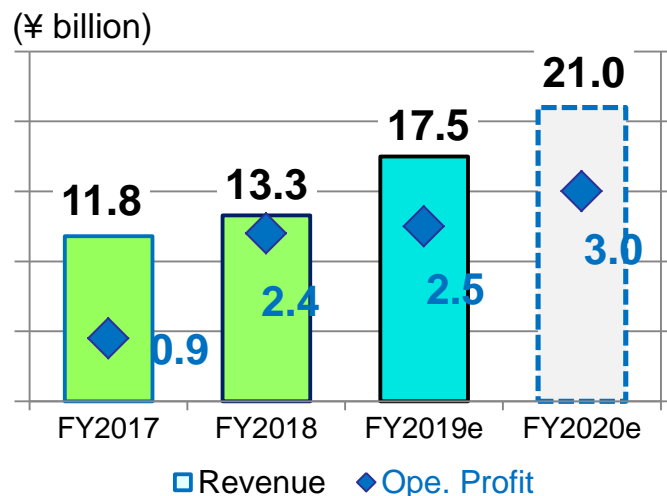
Kureha Energy Solutions: KDP Quarterly Sales FY2018-2019



Expansion of PVDF Business

KUREHA CORPORATION

- Demand for lithium-ion battery is growing rapidly due to vehicle electrification
- Kureha is a leading supplier of PVDF binder for LiBs with over 40% market share, selling primarily to large LiB makers in China and South Korea
- Our challenge is to secure suppliability for higher quality LiBs and growing market
- All our PVDF plants, including the latest Iwaki plant launched in January 2019, are running at full capacity, shifting production focus to LiB application
- We are planning on additional capacity increase of 5,000tpa or more with scheduled operational launch in FY2023



Kureha's annual PVDF production is 11,000 tons (6,000t/Japan, 5,000t/China), including 2000 tons manufactured at its latest Iwaki facility shown above.

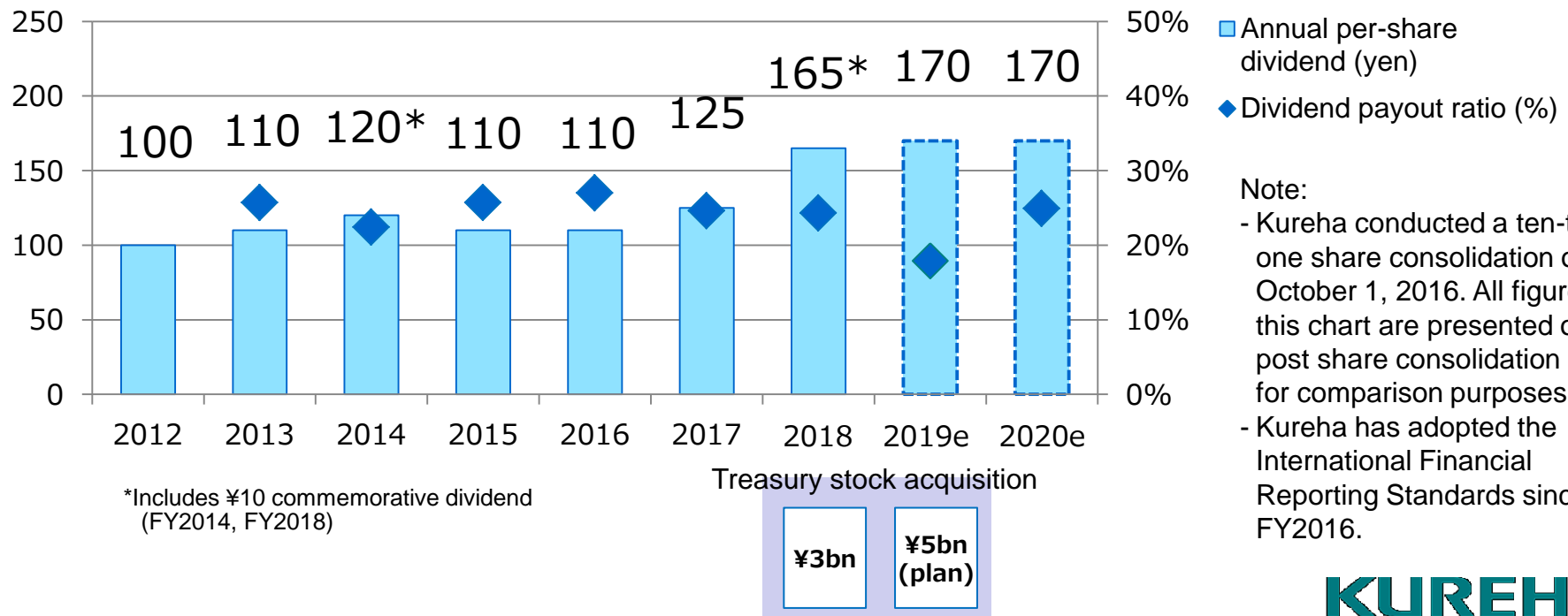
KUREHA

Returning to Shareholders

KUREHA CORPORATION

- Kureha's basic policy for the distribution of earnings is to strengthen the company overall to realize longer-term growth, prepare for future business expansion, enhance retained earnings, and provide a stable and continued dividend.
- Kureha will consider the acquisition of its own shares as an option to flexibly adjust to varying financial conditions.

Recent trend of annual dividend payout and dividend payout ratio



Note:

- Kureha conducted a ten-to-one share consolidation on October 1, 2016. All figures in this chart are presented on a post share consolidation basis for comparison purposes.
- Kureha has adopted the International Financial Reporting Standards since FY2016.

KUREHA

3. FY2019 Outlook

(April 1, 2019 – March 31, 2020)

FY2019 Forecast

KUREHA CORPORATION

(billions of yen, except where stated otherwise)

	FY2018	FY2019e 1H 2H	Change YOY (%)
Revenue	148.3	152 75 77	3.7 (2.5%)
Operating profit	17.2	26 8.0 18.0	8.8 (51.4%)
Profit before income tax	17.4	26 8.0 18.0	8.6 (49.1%)
Profit attributable to owners of Kureha Corp.	13.9	19.5 6.1 13.4	5.6 (39.9%)
Profit per share	¥679.6	¥962.2	
Dividend per share	¥165*	¥170	
Number of employees	4,299	4,360	

FY2019e vs. FY2018

- Revenue growth driven by Advanced Materials
- Operating profit to increase on earnings growth in Advanced Materials, including profitability achieved for PGA, and increased other income related to asset sale, more than offsetting profit declines and higher costs in other segments
- Profit before income tax to improve on higher operating profit
- Profit for the period to improve on higher profit before income tax

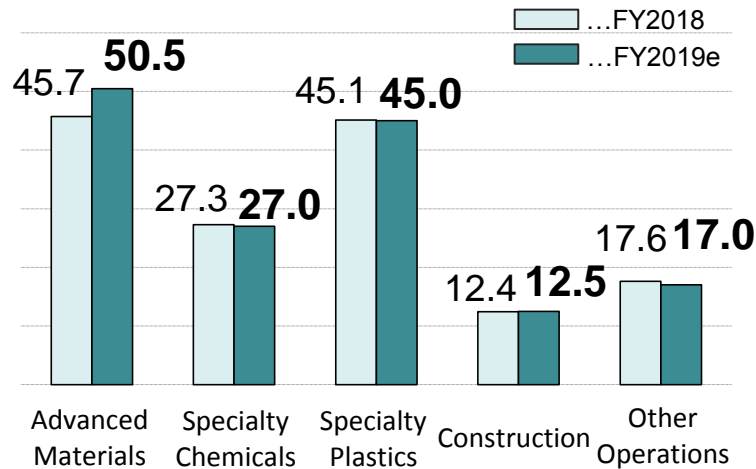
*Includes ¥10 commemorative dividend

FY2019 Forecast

KUREHA CORPORATION

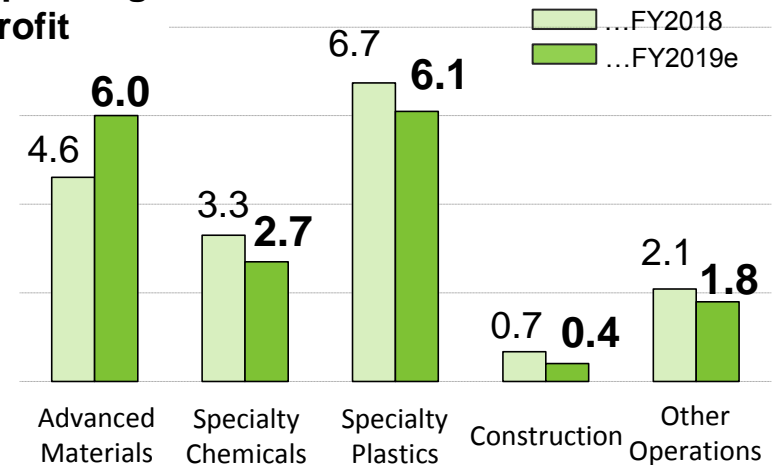
Segment Performance: FY2019e vs. FY2018

Revenue



FY2018: ¥148.3bn FY2019e: ¥152bn

Operating Profit



FY2018: ¥17.4bn FY2019e: ¥17bn

Factors attributing to operating profit (vs. FY2018)

AM: Higher PGA sales volume leading to profit generation, higher earnings generated by PPS and PVDF; lower carbon fiber earnings

SC: Earnings to decrease in agrochemicals and industrial chemicals; higher pharmaceuticals earnings

SP: Higher cost related to home products, intensified competition for packaging materials

CO: Higher labor and raw materials costs

OO: Intensified competition in the industrial waste treatment business

FY2019 Forecast

KUREHA CORPORATION

(billions of yen)

FY2018	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Segment Total	Adjustment	Total
Revenue	45.7	27.3	45.1	12.4	17.6	148.3	-----	148.3
Elimination							0.1	-----
Other income	*Subsidy income: ¥0.3bn						0.6	-----
Other expenses	*Loss on retirement of non-current assets: ¥0.8bn						0.9	-----
Operating profit	4.6	3.3	6.7	0.7	2.1	17.4	-0.2	17.2
Finance income							0.7	-----
Finance costs							0.4	-----
Profit before income tax								17.4
Profit for the period								13.9

FY2019e	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Segment Total	Adjustment	Total
Revenue	50.5	27.0	45.0	12.5	17.0	152.0	-----	152.0
Elimination							0	-----
Other income	*Gain on sale of non-current assets: ¥9.2bn						10.0	-----
Other expenses	*Loss on retirement of non-current assets: ¥0.7bn						1.0	-----
Operating profit	6.0	2.7	6.1	0.4	1.8	17.0	9.0	26.0
Finance income							0.7	-----
Finance costs							0.7	-----
Profit before income tax								26.0
Profit for the period								19.5

Segment Outlook: Advanced Materials

(billions of yen)

	FY2018	FY2019e	Change %
Advanced Materials			
Advanced plastics	27.3	29.8	9%
Carbon products	5.1	4.7	-8%
Revenue: Kureha Co.	32.5	34.5	6%
Revenue: Subsidiaries	31.3	35.5	13%
Elimination	-18.1	-19.5	--
Kureha-G Revenue	45.7	50.5	10%
(1H)	(22.6)	(24.0)	(6%)
Kureha-G Operating Profit	4.6	6.0	30%
(1H)	(0.7)	(2.0)	(200%)

FY2019e vs. FY2018

Revenue  Operating Profit 

Advanced plastics

Revenue up, Ope. profit up:

- PGA volume growth leading to profit generation
- Higher PVDF volume to more than offset higher cost
- Improved earnings for PPS, including equity gains

Carbon products

Revenue up, Ope. profit down:

- Carbon fiber full-capacity production propelled by continued strong demand
- Other carbon materials volumes likely to decline

Segment Outlook: Specialty Chemicals

(billions of yen)

	FY2018	FY2019e	Change %
Specialty Chemicals			
Agrochemicals	8.3	6.7	-20%
Pharmaceuticals	5.1	5.3	5%
Industrial chemicals	10.1	9.8	-3%
Revenue: Kureha Co.	23.5	21.8	-7%
Revenue: Subsidiaries	7.1	7.5	6%
Elimination	-3.3	-2.3	--
Kureha-G Revenue (1H)	27.3 (14.1)	27.0 (14.0)	-1% (-0%)
Kureha-G Operating Profit (1H)	3.3 (2.1)	2.7 (1.7)	-18% (-18%)

FY2019e vs. FY2018

Revenue ↓ Operating Profit ↓

Agrochemicals

Revenue down, Ope. profit down:
- Lower sales volumes due to inventory adjustment

Pharmaceuticals

Revenue up, Ope profit up:
- Volume growth for new Kremezin tablets

Industrial chemicals

Revenue down, Ope profit down:
- Sales volumes for certain products expected to decline
- Continued efforts to improve operating margin

Segment Outlook: Specialty Plastics

(billions of yen)

	FY2018	FY2019e	Change %
Specialty Plastics			
Home products	20.8	21.4	3%
Packaging materials	6.2	4.8	-23%
Revenue: Kureha Co.	27.1	26.2	-3%
Packaging materials	12.6	13.6	8%
Fiber products	4.4	4.4	-1%
Others	6.7	6.8	1%
Revenue: Subsidiaries	23.8	24.8	4%
Elimination	-5.7	-6.0	--
Kureha-G Revenue	45.1	45.0	0%
(1H)	(22.8)	(23.5)	(3%)
Kureha-G Operating Profit	6.7	6.1	-9%
(1H)	(3.4)	(3.5)	(2%)

FY2018e vs. FY2017

Revenue ↘ Operating Profit ↘

Home products

Revenue up, Ope. profit down:

- Volumes growth for New Krewrap and Kichinto-san series products more than offset by increased cost related to sales promotion, etc.

Packaging materials

Revenue flat, Ope. profit down:

- Intensified competition in global multi-layer shrink film market, despite continued sales expansion efforts.
- Note: The sales rights for certain packaging materials are transferred from Kureha to its subsidiary in FY2019.

Segment Outlook: Construction & Other Operations

(billions of yen)

	FY2018	FY2019e	Change %
Construction			
Construction	20.3	19.5	-4%
Elimination	-7.9	-7.0	--
Kureha-G Revenue (1H)	12.4 (5.0)	12.5 (5.5)	1% (10%)
Kureha-G Operating Profit (1H)	0.7 (0.1)	0.4 (0.2)	-40% (59%)
Other Operations			
Environmental engineering	12.0	11.4	-5%
Logistics	8.3	8.5	2%
Hospital operations	3.7	3.9	5%
Others	1.9	2.2	17%
Revenue: Subsidiaries	25.9	26.0	0%
Elimination	-8.3	-9.0	--
Kureha-G Revenue (1H)	17.6 (8.1)	17.0 (8.0)	-4% (-1%)
Kureha-G Operating Profit (1H)	2.1 (0.8)	1.8 (0.8)	-14% (4%)

FY2019e vs. FY2018

Revenue → Operating Profit ↘

Construction

Operating profit expected to fall on flat revenue growth due to higher labor and raw materials costs

Revenue ↘ Operating Profit ↘

Other Operations

Revenue and operating profit in Environmental Engineering expected to decline due to intensified competition in the industrial waste treatment business

Key Indicators

KUREHA CORPORATION

(billions of yen)

	FY2018	FY2019e	Change YOY(%)
Capital expenditure	13.2	17.0	3.8 (29%)
Depreciation	10.3	11.5	1.2 (12%)
R&D expenses	5.3	6.4	1.1 (21%)
Interest-bearing debt	39.0	39.5	0.5 (1%)

(Currency exchange rates)

1USD:	Term average	¥110.9	¥110.0
	Term end	¥111.0	¥110.0
1EUR:	Term average	¥128.4	¥125.0
	Term end	¥124.6	¥125.0
1CHY:	Term average	¥16.5	¥16.5
	Term end	¥16.5	¥16.5

Cash Flow

KUREHA CORPORATION

(billions of yen)

	FY2018	FY2019e	Change YOY
Profit before income tax	17.4	26.0	8.6
Depreciation	10.3	11.6	1.3
Other	-4.4	-19.7	-15.3
Cash flow from operating activities	23.4	17.9	-5.5
Cash flow from investing activities	-8.4	-5.3	3.0
Cash flow from financing activities	-15.5	-13.2	2.3
Effect of exchange rate changes on cash and cash equivalents	-0.0	0.0	0.0
Increase/decrease in cash and cash equivalents	-0.5	-0.6	-0.1
Cash and cash equivalents at beginning of year	6.5	6.0	-0.5
Cash and cash equivalents at end of year	6.0	5.4	-0.6

4. Consolidated Companies

Revenues & Assets

KUREHA CORPORATION

(billions of yen)

		FY2017		FY2018		Change	
		Revenue	Total assets	Revenue	Total assets	Revenue	Total assets
Kureha Corporation		78.9	192.7	83.0	198.2	4.2	5.5
Kureha Trading Group (2)		22.5	14.1	22.7	13.2	0.2	-1.0
Advanced Materials	Kureha Corporation	29.4	--	32.5	--	3.1	--
	Kureha Trading Group (2)	10.7	--	10.6	--	0.0	--
	Kureha Extron	2.2	2.1	2.5	2.3	0.3	0.2
	Kureha Extech	1.9	1.4	2.0	1.4	0.1	0.1
	Kureha Europe Group (4)	2.2	0.8	2.0	1.1	-0.1	0.3
	Kureha America Group (4)	6.2	25.3	6.5	26.8	0.3	1.6
	Kureha (Shanghai) Carbon Fiber Materials	1.1	1.5	1.3	1.4	0.2	-0.1
	Kureha China Group (2)	5.4	10.6	6.4	10.0	1.0	-0.6
	Consolidation adjustments	-17.3	--	-18.1	--	--	--
	Total	41.6	--	45.7	--	4.1	--
Specialty Chemicals	Kureha Corporation	22.4	--	23.5	--	1.1	--
	Kureha Trading	6.5	--	7.1	--	0.6	--
	Consolidation adjustments	-2.7	--	-3.3	--	--	--
	Total	26.2	--	27.3	--	1.1	--
Specialty Plastics	Kureha Corporation	27.0	--	27.1	--	0.0	--
	Kureha Trading	5.2	--	4.9	--	-0.3	--
	Kureha Gohsen	4.2	4.9	4.4	5.1	0.2	0.2
	Kureha China Group (2)	0.2	--	0.1	--	-0.1	--
	Kureha America Group (4)	2.0	0.9	1.7	0.8	-0.3	-0.1
	Kureha Europe Group (4)	9.7	7.9	9.4	7.3	-0.4	-0.6
	Kureha Vietnam	3.4	3.4	3.2	3.1	-0.2	-0.4
	Consolidation adjustments	-6.4	--	-5.7	--	--	--
Total	45.4	--	45.1	--	-0.2	--	

Revenues & Assets

KUREHA CORPORATION

(billions of yen)

		FY2017		FY2018		Change	
		Revenue	Total assets	Revenue	Total assets	Revenue	Total assets
Construction	Kureha Nishiki Group (4)	21.9	11.3	17.9	12.0	-4.0	0.7
	Kureha Engineering	2.0	2.1	2.4	1.8	0.4	-0.3
	Consolidation adjustments	-6.6	--	-7.9	--	--	--
	Total	17.4	--	12.4	--	-4.9	--
Other Operations	Kureha Ecology Management	9.7	9.2	10.6	10.6	0.9	1.4
	Kureha Special Laboratory	1.3	0.7	1.3	0.7	0.0	0.0
	Kureha Unyu Group (2)	8.3	6.1	8.3	6.5	0.0	0.4
	Kureha Trading	0.1	--	0.1	--	0.0	--
	Kureha Service	0.5	1.2	0.6	1.4	0.0	0.1
	Kureha-Kai Medical Corp.	3.6	3.4	3.7	3.3	0.1	-0.2
	Kureha Staff Service	1.2	0.6	1.3	0.6	0.1	0.0
	Consolidation adjustments	-7.9	--	-8.3	--	--	--
Total	16.8	--	17.6	--	0.9	--	
Kureha Group Total		147.3	242.3	148.3	247.4	0.9	5.0
<i>Number of consolidated subsidiaries</i>		29		29			
<i>Number of equity- method affiliates</i>		3		3			

*Parenthesized numbers indicate the number of consolidated companies for each group.

Disclaimer

KUREHA CORPORATION

- These materials are supplied to provide a deeper understanding of our company, and are not intended to as a solicitation for investment or other actions.
- These materials have been 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 unforeseeable events and factors.
- Please utilize these materials using you own judgment and responsibility.