



February 2, 2016

Kureha Corporation

Notice Regarding Extraordinary Income and Extraordinary Losses, and Revisions to FY2015 Earnings Forecast

Kureha Corporation hereby announces that it has posted the following extraordinary income and extraordinary losses in the third quarter (October 1, 2015 through December 31, 2015) of the fiscal year ending March 31, 2016 ("FY2015").

Additionally, Kureha has revised its full-year consolidated earnings forecast for FY2015 to reflect latest earnings trends, which was previously announced on May 14, 2015. Details are provided below.

1. Posting of extraordinary income

Kureha has sold a portion of its investment securities and recognized an extraordinary gain of ¥3,363 million on the sale.

(1) Reason for sale: To effectively utilize assets

(2) Applicable accounting period : December 2015 – January 2016

(3) Details of sale

- Investment securities sold: 1 publicly listed security held by Kureha Corporation
- Gain on sale: JP¥3,363 million

*Of ¥3,363 million, ¥1,840 million has been posted as extraordinary income in the third quarter (October 1, 2015 through December 31, 2015), and the remaining ¥1,523 million will be reported in the fourth quarter (January 1, 2016 through March 31, 2016).

2. Posting of extraordinary losses (in association with business restructuring actions)

Kureha has been implementing restructuring measures for its carbon products business in the Advanced Materials segment, which has struggled to generate profits amid weak demand and increasingly fierce competition. After a thorough review and assessment of the business, including its future operating environment and projected earnings, Kureha has determined to write down the book value of carbon products business assets to a recoverable amount, resulting in an impairment loss of ¥3,242 million (business restructuring charges).

3. Revisions to FY2015 forecast

(1) FY2015 (April 1, 2015 – March 31, 2016) earnings forecast

(In millions of yen, except net income per share)

	Net sales	Operating income	Recurring income	Net income	Net income per share
Previous forecast (a)	155,000	13,000	12,500	8,000	46.55 yen
New forecast (b)	145,000	12,000	11,500	7,000	40.73 yen
Change (b-a)	-10,000	-1,000	-1,000	-1,000	
Change (% b-a)	-6.5%	-7.7%	-8.0%	-12.5%	
[Reference] FY2014 Results	150,182	14,551	15,426	9,195	53.53yen



(2) Reason for revisions (comparison with previous forecast)

FY2015 net sales have been revised downward as sales in the key segments, particularly Advanced Materials and Specialty Plastics, are expected to fall below the previous estimates, more than offset by growth in the Construction segment. Operating income is likely to downturn on lower sales despite decreased selling and general administrative expenses. Both recurring income and net income are forecast to decrease due to a decline in operating income.

Note:

The above earnings forecast is based on the information available as of the date of this document release, and may differ from actual results due to various factors that will affect actual performance.

For more information, please contact:

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