



Kureha Corporation Reports Interim Results April - September 2009

Tokyo, Japan – November 2009 – Leading specialty chemicals and plastic products company, Kureha Corporation (“Kureha”), has reported earnings for the half-year period ended September 30, 2009. On a consolidated basis, operating income decreased 91% year-on-year (YoY) to ¥523 million, while recurring income fell 92.6% to ¥405 million on sales of ¥59,717 million, which were down 18.9% YoY. Net income for the period was ¥11 million. Earnings deterioration during the period was in large part due to a slowdown in activity in the Advanced Materials Division.

Commenting on the results Kureha President and Chief Executive Officer, Takao Iwasaki, said, “Although we have experienced considerable earnings deterioration during the interim period, figures were in line with our expectations. While non-cyclical businesses such as pharmaceuticals and household products continued to perform steadily, the advanced materials division suffered due to deterioration in demand from automotive and solar industries, resulting in a significant decline in sales and profits. Our latest earnings estimates for the full fiscal year reflect the severe operating environment faced by the advanced materials division. However, strategic business development continues to progress in line with our new mid-term business plan, *Grow Globally*. Based on our conviction that national borders have no bearing on value-added solutions, we remain firmly focused on securing growth through global business expansion.”

Summary of consolidated half year results

(¥ million, except where stated)

	Sept. 2009	Sept. 2008	Change (%)
Sales	59,717	73,649	-18.9
Operating income	523	5,837	-91.0
Recurring income	405	5,470	-92.6
Net income	11	2,102	-99.5
Earnings per share (EPS) (¥)	0.06	11.65	-

With the overall business environment remaining challenging, Kureha has also revised its full-year earnings estimates downwards. Factors contributing to this decision include an expected temporary decline in solar energy related business activity and a weakened demand outlook for environmental businesses. Revised estimates are outlined in the table below.

Revised full-year estimates

(¥ million, except where stated)

	New As of Nov 2009	Previous As of May 2009	Change (%)
Sales	132,000	145,000	-9.0
Operating income	5,000	7,000	-28.6
Recurring income	4,500	6,000	-25.0
Net income	2,000	2,700	-25.9
Earnings per share (EPS) (¥)	11.16	15.07	-

Consolidated interim performance

(¥ million, except where stated)

Division		Sept. 2009	Sept. 2008	Change (%)
Advanced materials	Sales	13,998	20,278	-31
	Operating income	-911	1,377	-
Specialty chemicals	Sales	14,248	17,419	-18
	Operating income	1,141	2,944	-61
Specialty plastics	Sales	20,978	22,754	-8
	Operating income	829	1,158	-28
Other operations	Sales	10,491	13,196	-21
	Operating income	-289	662	-
	Cancellations	-247	-305	-
Total	Sales	59,717	73,649	-18.9
	Operating profit	523	5,837	-91.0

Performance by division

Advanced Materials Division

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

For the half-year period, Advanced Materials Division sales declined by 31% YoY to ¥14.0 billion, while the division recorded a ¥900 million deficit at the operating level.

Slowdown in carbon fibers business

Sales of carbon products declined from ¥3.9 billion to ¥3.1 billion, in part due to cuts to subsidy programs in Spain and Germany negatively affecting sales of carbon fibers for heat insulation material used in the manufacturing of solar power equipment. However, with global interest in renewable energy sources set to continue expanding and Kureha currently accounting for approximately 50% of the global market for this product, the long-term outlook for carbon fibers remains positive.

Sharp decline in demand for PPS and PVDF

Sales of advanced plastics declined from ¥7.9 billion to ¥5.7 billion. Demand for PPS resin significantly weakened, although signs of expansion have been seen for use in hybrid electronic vehicles (HEVs) in Japan. Demand for PVDF resin also slowed although business performance was somewhat mixed, with demand for use in lithium-ion battery binders gradually recovering, while other industrial applications have remained weak.

Outlook: Divisional sales for the full-year are projected to be ¥27.5 billion, down from ¥32.4 billion, with operating income expected to shift from ¥0.7 billion in the previous fiscal year to a ¥2.9 billion deficit. Carbon fibers business performance is expected to deteriorate due to swelling capital expenditure and sluggish demand, although PPS demand for use in HEVs will continue the high standing. Difficult economic conditions in the U.S. are expected to continue to impede demand for PPS resin, impacting performance at the joint venture in the U.S.

Specialty Chemicals Division

Major product areas – industrial chemicals, agrochemicals, pharmaceuticals

Specialty Chemicals Division sales were down 18% YoY to ¥14.2 billion, with divisional operating income declining 61% to ¥1.1 billion.

Industrial chemicals demand weakens

Sales of industrial chemicals declined 9% YoY to ¥4.8 billion due to slowing demand and low utilization levels, although price increases had a positive impact on performance and helped to somewhat offset these trends.

Agrochemicals hit by Euro

Sales of agrochemicals declined significantly to ¥2.2, down from ¥4.1 billion in the previous year, due to Kureha halting marketing of the rice blast fungicide *Rabcide*; a decline in sales volume and royalty income for *Metconazole*, a fungicide for oilseed rape and wheat; and a weaker than anticipated Euro. Weakening of one yen against the Euro is estimated to improve Kureha's top-line by approximately ¥30 million.

Pharmaceuticals business flat

Sales of *Kremezin*, a therapeutic agent for chronic kidney disease, grew steadily but due to shipment adjustments overall pharmaceutical product sales were down 5% YoY at ¥4.4 billion.

Outlook: Divisional sales are expected to be ¥34.0 billion for the full fiscal year, up marginally from ¥33.9 billion in previous year thanks in part to an increase in sales volume for *Kremezin* and one-off licensing revenue for the product, as well as a stronger than previously anticipated Euro. Operating income is also projected to strengthen to ¥5.8 billion.

Specialty Plastics Division

Major product areas – food packaging materials, household products, fishing lines

Specialty Plastics Division operating income declined by 28% YoY to ¥0.8 billion for the interim period, while sales declined by 8% YoY to ¥21.0 billion.

Sales of commercial-use packaging materials strengthen

Sales of commercial-use packaging materials increased during the period, up by 5% YoY to ¥5.3 billion, largely due to an increase in PVDC compound exports to China. Domestic sales of commercial-use films and packaging materials declined slightly, while European sales experienced steady growth but saw profits decline due to adverse currency movement.

Household-use packaging materials remain stable

Sales of household products declined to ¥10.8 billion, down 3% YoY. Despite product upgrades benefitting *NEW Krewrap*, higher material costs and swelling fixed costs negatively impacted profits. Sales of fishing line products remained low due to continued weak demand.

Outlook: For the full fiscal year, divisional sales are forecast to decline marginally to ¥42.0 billion, down from ¥43.5 billion during the previous fiscal year. Operating income is forecast to decline to ¥1.3 billion, down from ¥1.7 billion, due to an increase in depreciation and intensifying competition. Despite the recovery of PVDC compound exports to China, the newly launched production facility in Vietnam will result in increased cost levels.

Other Operations Division

Major product areas – construction related businesses

Other Operations Division sales were down 21% YoY to ¥10.5 billion, while the division recorded an operating loss of ¥300 million.

Environmental engineering businesses slow

Sales at environmental engineering businesses declined 38% YoY to ¥2.2 billion, as the slowdown in economic activity resulted in a drop in demand for industrial waste processing operations. In addition, intensifying market competition has also contributed to earnings deterioration.

Construction related businesses weaken

Sales at construction-related businesses declined by 9% YoY to ¥10.5 billion, primarily due to the completion of a large plant project during the previous interim period, suppressed capital expenditure levels, and an increasingly crowded market generating heightened competition.

Decline in logistics and warehousing activity

Sales for logistics and warehousing businesses were ¥5.2 billion; down from ¥6.6 billion in the previous year due to the slowdown in shipping activities. Profit levels, however, have been maintained thanks to cost reduction efforts.

Outlook: Overall divisional sales are expected to be ¥28.0 billion for the full fiscal year, down from ¥33.9 billion in the previous year, with the continued weak outlook for environmental engineering businesses a key contributing factor.

Consolidated capital expenditure, depreciation and R&D

	Sept. 2009	Sept. 2008	Fiscal 2009 (forecast)
Capital expenditure (Capex)	6.6	8.5	18.0
Depreciation	5.3	4.9	11.3
R&D	2.8	3.0	6.5
Interest-bearing debt	47.8	37.7	52.3

(¥ billion)

Capex from ¥8.5 billion to ¥6.6 billion during the half-year period, in part because capacity expansion efforts across all divisions have gradually reached completion. Capex is projected to be ¥18.0 billion for the full year. Depreciation for the period increased slightly from ¥4.9 billion to ¥5.3 billion; a trend that is expected to continue in the full-year results.

R&D expenditure was down slightly from ¥3.0 billion to ¥2.8 billion, but is projected to reach ¥6.5 billion for the full fiscal year. Interest-bearing debt has continued to increase, although this trend is in line with Kureha's expectations.

Outlook for the full year

(¥ million, except where stated)

	Fiscal 2009 (Forecasts)	Fiscal 2008	Change (%)
Sales	132,000	143,741	-8.2
Operating income	5,000	9,456	-47.1
Recurring income	4,500	8,650	-48.0
Net income	2,000	3,373	-40.7
Earnings per share (EPS) (¥)	11.16	18.75	-

The forecast for consolidated sales for the fiscal year ending March 2010 has been revised downward from ¥145.0 billion, announced in May, to ¥132.0 billion. This is primarily due to the continued difficult operating environment facing the carbon fiber businesses and the construction-related businesses, along with slow demand in the domestic environmental engineering businesses. Previous full year projections for operating income and recurring income have also been revised down to ¥5.0 billion and ¥4.5 billion, respectively. Net income is projected to be ¥2.0 billion.

PGA outlook

Kureha's expects its efforts to develop the business and market for PGA (polyglycolic acid) to begin demonstrating results in the near future. Following construction of a new U.S. production facility, commercial operations are due to commence this fall. The primary application for PGA will initially be PET bottles, where adding a layer of PGA can improve carbon dioxide retention for carbonated soft drinks and result in resource and cost savings.

For further information, please contact:

KUREHA CORPORATION
Public Relations Department
Tel. 03-3249-4651

Condensed interim balance sheets

As of 30 September 2009 and 2008

	¥ million	
	Sept. 2009	Sept. 2008
Assets		
Current assets	65,261	72,362
Cash and cash equivalents	7,480	5,633
Fixed assets	116,643	122,935
Property, plant and equipment	77,645	74,804
Intangible assets	882	1,226
Investments and other assets	38,115	46,904
Total Assets	181,904	195,298
Liabilities and Net Assets		
Current liabilities	46,924	57,444
Short-term borrowings	17,358	15,069
Fixed liabilities	37,395	32,968
Corporate bonds	15,000	15,000
Long-term borrowings	15,439	7,638
Total Liabilities	84,320	90,412
Net Assets		
Shareholders' equity	93,119	94,046
Minority interest	406	994
Total Net Assets	97,584	104,885
Total Liabilities and Net Assets	181,904	195,298

Condensed interim income statement

For the fiscal years ended 30 September 2009 and 2008

	¥ million	
	Sept. 2009	Sept. 2008
Sales	59,717	73,649
Cost of goods sold	44,957	52,992
Selling, general and administrative expenses	14,235	14,819
Operating income	523	5,837
Non-operating income	792	801
Non-operating expenses	910	1,168
Recurring income	405	5,470
Extraordinary gains	349	138
Extraordinary losses	413	1,802
Income before income taxes	341	3,806
Taxes and minority interest adjustments	330	1,703
Net income	11	2,102

Interim Results for the Financial Year Ending March 31, 2010

November 17, 2009

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Consolidated Companies

KUREHA CORPORATION

(Unit :100million yen)

		FY2009 Interim		FY2008 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Kureha Corporation		385	1,463	453	1,512	-68	-49
Nishiki Trading Co., Ltd. and one group company		139	119	166	128	-27	-10
Advanced Materials	Kureha Corporation	100	-	137	-	-37	-
	Nishiki Trading Co., Ltd. and one group company	42	-	56	-	-14	-
	Kakogawa Plastics Co., Ltd.	6	-	17	28	-11	-
	Nihon Extron Co., Ltd.	5	15	8	18	-4	-3
	Kureha Extech Co., Ltd.	7	16	10	20	-3	-4
	Kureha GmbH	14	14	19	15	-5	-1
	Kureha America Inc. and two group company	6	176	15	99	-9	77
	Kureha Chemicals Shanghai Co., Ltd.	5	26	6	17	-2	9
	Consolidation adjustments	-45	-	-66	-	21	-
Total		140	-	203	-	-63	-
Specialty Chemicals	Kureha Corporation	114	-	141	-	-26	-
	Nishiki Trading Co., Ltd.	43	-	50	-	-7	-
	Consolidation adjustments	-15	-	-17	-	2	-
Total		142	-	174	-	-32	-
Specialty Plastics	Kureha Corporation	170	-	174	-	-4	-
	Nishiki Trading Co., Ltd. and one group company	45	-	50	-	-4	-
	Kureha Gosen Co., Ltd.	9	18	13	22	-4	-4
	Kureha Plastics Co., Ltd.	65	82	64	79	2	3
	Krehalon Industrie B.V. and four group company	38	59	47	67	-9	-9
	Kureha Shanghai Trading Co., Ltd.	0	0	0	1	0	0
	Consolidation adjustments	-118	-	-120	-	2	-
Total		210	-	228	-	-18	-

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Consolidated Companies

KUREHA CORPORATION

(Unit:100 million yen)

		FY2009 Interim		FY2008 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Other Operations	Kureha Ecology Management Co., Ltd.	16	38	27	45	-11	-7
	Kureha Special Laboratory Co., Ltd.	6	7	8	7	-2	0
	Kureha Engineering Co., Ltd.	60	66	72	79	-13	-13
	Kurehanishiki Construction Co., Ltd. and 3 group companies	46	74	44	91	2	-17
	Kureha Unyu Co., Ltd. and 6 group companies	52	61	66	67	-14	-6
	Nishiki Trading Co., Ltd.	8	-	10	-	-2	-
	Kureha Service Co., Ltd.	3	45	3	50	-0	-5
	Kureha Staff Service Co., Ltd.	14	7	12	6	2	1
Consolidation Adjustments		-100	-	-111	-	11	-
Total		105	-	132	-	-27	-
(Number of consolidated companies)		(33)		(34)			
Consolidation Total		597	2,285	736	2,350	-139	-65
Equity-method affiliates	Kakogawa Plastics Co., Ltd.	7	-	-	-	-	-
	Nangtong SKT New Material Co., Ltd.	15	-	19	-	-4	-

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2. Interim Results for the Financial Year 2009

Financial Highlights

(Comparison with same period in FY2008)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2009 Interim			FY2008 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-Consolidated	
Net sales	597.2	384.6	1.6	736.5	452.5	1.6	-139.3	-18.9%	-68.0	-15.0%
Operating income	5.2	8.8	0.6	58.4	44.2	1.3	-53.1	-91.0%	-35.4	-80.1%
Recurring income	4.1	12.8	0.3	54.7	43.8	1.2	-50.6	-92.6%	-31.0	-70.7%
Net income	0.1	9.0	0.0	21.0	19.5	1.1	-20.9	-99.5%	-10.5	-53.8%
Total assets	1,819	1,463	1.2	1,953	1,512	1.3	-134	-	-49	-
Shareholders' equity	976	883	1.1	1,049	931	1.1	-73	-	-48	-
Net income per share (yen)	0.06	5.03	0.0	11.65	10.8	1.1	-11.59	-	-5.77	-
Diluted net income per share (yen)	0.06	5.03	0.0	11.64	10.79	1.1	-11.58	-	-5.76	-
Shareholders' equity per share (yen)	542.09	492.67	1.1	576.39	516.67	1.1	-34.3	-	-24.00	-
Equity ratio	%	%		%	%		%		%	
	53.4	60.4	0.9	53.2	61.6	0.9	0.2	-	-1.2	-

KUREHA

Financial Highlights

(Comparison with estimates from May)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2009 Interim			FY2009 Interim (as est. in May)			increase/decrease (Ratio)				
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated		
Net sales	597.2	384.6	1.6	640.0	390.0	1.6	-43	-6.7%	-5	-1.4%	
Operating income	5.2	8.8	0.6	4.0	4.0	1.0	1	30.8%	5	120.3%	
Recurring income	4.1	12.8	0.3	2.0	7.0	0.3	2	103.0%	6	83.4%	
Net income	0.1	9.0	0.0	1.0	5.0	0.2	-1	-88.0%	4	80.2%	
Total assets	1,819	1,463	1.2								
Shareholders' equity	976	883	1.1								
Net income per share (yen)	0.06	5.03	0.0								
Diluted net income pershare (yen)	0.06	5.03	0.0								
Shareholders' equity per share (yen)	542.09	492.67	1.1								
	%	%									
Equity ratio	53.4	60.4	0.9								

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Key Indicators (Comparison with same period in FY2008)

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2009 Interim			FY2008 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	66	41	1.6	85	48	1.8	-20	-23%	-6	-13%
Depreciation	53	42	1.2	49	38	1.3	3	6%	4	11%
R&D expenses	28	27	1.1	30	28	1.1	-2	-7%	-1	-5%
Interest-bearing debt	478	368	1.3	377	271	1.4	101	27%	97	36%
Net interest expense	0	8	-	0	6	-	-0	-	2	-
Exchange rate *	95.9 yen/\$, 133.5 yen/eur			106.0 yen/\$, 162.7 yen/ eur						
Dividend per share		5.0			5.0					
Employees	3,905	1,322	3.0	3,942	1,294	3.0	-37	-1%	28	2%

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

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Advanced Materials

(Unit: 100 million yen)

		FY2009 Interim results	FY2008 Interim results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	31	39	-9	-22%
		Advanced plastics	57	79	-22	-27%
		Others	12	19	-7	-36%
		Total	100	137	-37	-27%
	Consolidated subsidiaries	85	131	-47	-36%	
	Consolidation adjustments	-45	-66	21	-	
	Total	140	203	-63	-31%	
Consolidated operating income		-9	14	-23	-	

Specialty Chemicals

(Unit:100 million yen)

		FY2009 Interim results	FY2008 Interim results	Increase/ decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	48	53	-5	-9%
		Agrochemicals	22	41	-19	-46%
		Pharmaceuticals	44	46	-2	-5%
		Total	114	141	-26	-19%
	Consolidated subsidiaries	43	50	-7	-13%	
	Consolidation adjustments	-15	-17	1	-	
	Total	142	174	-32	-18%	
Consolidated operating income		11	29	-18	-61%	

Specialty Plastics

(Unit: 100 million yen)

			FY2009 Interim results	FY2008 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Food packaging materials	53	50	2	5%
		Household products	108	111	-4	-3%
		Fishing lines	5	5	-1	-11%
		Others	5	7	-3	-35%
		Total	170	174	-4	-2%
		Consolidated subsidiaries	158	173	-15	-9%
		Consolidation adjustments	-118	-120	1	-
	Total	210	228	-18	-8%	
Consolidated operating income			8	12	-3	-28%

Other Operations

(Unit: 100 million yen)

			FY2009 Interim results	FY2008 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Environmental engineering	22	35	-13	-38%
		Construction-related business	105	116	-11	-9%
		Construction-related business	52	66	-14	-21%
		Trading	8	10	-2	-22%
		Others	18	16	2	14%
		Total	205	242	-38	-15%
	Consolidation adjustments	-100	-111	11	-	
	Total	105	132	-27	-21%	
Consolidated operating income			-3	7	-10	-

Balance Sheets

KUREHA CORPORATION

1.Assets

(Unit: 100 million yen)

	As of Sep.30,2009		As of Mar.31,2009		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Cash and cash equivalents	75	31	73	44	2	-13
Accounts and notes receivable-trade	247	154	301	164	-55	-10
Inventories	245	165	257	190	-12	-24
Other current assets	86	93	55	74	31	19
Sub total	653	443	686	471	-33	-28
Property, plant and equipment	776	532	774	532	3	-0
Intangible assets	9	6	11	7	-2	-1
Investments and other assets	381	482	352	432	30	50
Sub total	1,166	1,020	1,136	971	30	49
Total	1,819	1,463	1,822	1,442	-3	21

2. Liabilities and net assets

	As of Sep.30,2009		As of Mar.31,2009		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Accounts and notes payable-trade	148	58	182	62	-34	-4
Interest-bearing debt	478	368	440	333	38	35
Reserves	45	13	48	13	-2	-1
Other liabilities	172	141	181	168	-10	-27
Sub total	843	580	851	576	-8	4
Common stock	125	125	125	125	-	-
Capital reserves	99	102	100	102	-1	0
Retained earnings	720	616	728	616	-8	0
Treasury stock, at cost	-13	-13	-13	-13	0	0
Valuation and translation adjustment	40	53	16	36	24	17
Share warrant	0	0	0	0	0	0
Minority interests	4	-	15	-	-10	-
Sub total	976	883	971	866	5	17
Total	1,819	1,463	1,822	1,442	-3	21

KUREHA

Analysis of Recurring Income (Comparison with same period in FY2008)

KUREHA CORPORATION

(Unit: 100million yen)

		FY2009 Interim		FY2008 Interim		Change
Recurring income	Kureha	12.8	316%	43.8	80%	-31.0
	Consolidated subsidiaries	-1.9	-47%	14.8	27%	-16.7
	Equity-method affiliates	1.5	36%	2.3	4%	-0.8
	Consolidation adjustments	-8.3	-205%	-6.1	-11%	-2.2
	計	4.1	100%	54.7	100%	-50.6

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Decreased unit price of purchased products, raw materials	10	Decreased sales volume	-37	
	Decreased manufacturing fixed costs	2	Decreased unit sales price	-6	
	Decreased direct marketing costs	1	Differing inventories levels	-5	
	Decrease R&D	2	Increased general and administrative costs	-3	
	Financial balance	3			
	Others	2			
		20		-51	-31.0
Consolidated	Domestic specialty plastics business	2	Overseas advanced materials business	-10	
	Overseas advanced materials business	1	Domestic advanced materials business	-2	
	Others	1	Environmental engineering business	-6	
			Construction-related business	-4	
		5		-21	-16.7
Equity-method affiliates			Nangton SKT New Material Co., Ltd.	-0.8	-0.8

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Analysis of Recurring Income (Comparison with estimates from May)

KUREHA CORPORATION

(Unit:100 million yen)

		FY2009 Interim		FY2009 Interim(as est. in May)		Change
Recurring income	Kureha	12.8	316%	7.0	350%	5.8
	Consolidated subsidiaries	-1.9	-91%	1.0	50%	-2.9
	Equity-method affiliates	1.5	36%	0.6	30%	0.9
	Consolidation adjustments	-8.3	-161%	-6.6	-330%	-1.7
	Total	4.1	100%	2.0	100%	2.1

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Decreased manufacturing fixed costs	5	Decreased sales volume	-5	5.8
	Decreased direct marketing costs	2	Increased unit price of purchased products raw materials and fuels	-4	
	Decreased general and administrative costs	6			
	Decreased R&D	2			
		15		-9	
Consolidated subsidiaries	Domestics advanced materials business	1	Overseas advanced materials business	-1	-2.9
	Others	1	Environmental engineering business	-4	
		2		-5	
Equity-method affiliates	Nangton SKT New Material Co., Ltd.	0.9			0.9

KUREHA

Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit:100 million yen)

		FY2009 Interim		FY2008 Interim		Increase/decrease	
		Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
Extraordinary income	Income from sales of investment securities	2.0	5.4	0.1	-	1.9	5.4
	Others	1.4	0.2	1.3	0.9	0.2	-0.7
	Total	3.5	5.6	1.4	0.9	2.1	4.7
Extraordinary losses	Loss on limination/sales of fixed assets	3.3	2.7	6.0	5.1	-2.7	-2.4
	Write-down of inventories	-	-	8.7	5.8	-8.7	-5.8
	Others	0.8	2.2	3.4	3.1	-2.6	-0.9
	Total	4.1	4.9	18.0	14.0	-13.9	-9.1

KUREHA

Cashflow

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2009 Interim		FY2008 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	56	56	88	69	-32	-13
	Increase/decrease in assets and liabilities	26	4	-21	-20	47	23
	Payments of corporation tax	-9	-5	-22	-12	13	7
	Other-net	-19	1	-11	2	-8	-1
		54	56	34	39	21	17
Cashflow from investing activities		-80	-95	-84	-73	4	-22
Cashflow from financing activities		27	26	45	30	-17	-4
Effect of exchange rate changes on cash and cash equivalents		1	-0	1	-0	-0	0
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		-1	-	-	-	-1	-
Net increase/decrease in cash and cash equivalents		2	-13	-5	-4	7	-9
Cash and cash equivalents at beginning of year		73	44	61	28	11	16
Cash and cash equivalents at end of year		75	31	56	23	18	7

KUREHA

3. Estimates for the Financial Year ending March 2010

Estimated Figures

KUREHA CORPORATION

<Comparison with FY2008>

(Unit: 100 million yen)

	FY2010(as est in Nov.)			FY2009			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,320	860	1.5	1,437	866	1.7	-117	-8.2%	-6	-0.7%
Operating income	50	40	1.3	95	72	1.3	-45	-47.1%	-32	-44.5%
Recurring income	45	40	1.1	87	69	1.3	-42	-48.0%	-29	-41.9%
Net income	20	20	1.0	34	28	1.2	-14	-40.7%	-8	-27.7%

<Comparison with estimates>

(Unit: 100 million yen)

	FY2010(as est in Nov.)			FY2010(as est in May)			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,320	860	1.5	1,450	880	1.6	-130	-9.0%	-20	-2.3%
Operating income	50	40	1.3	70	50	1.4	-20	-28.6%	-10	-20.0%
Recurring income	45	40	1.1	60	50	1.2	-15	-25.0%	-10	-20.0%
Net income	20	20	1.0	27	25	1.1	-7	-25.9%	-5	-20.0%

KUREHA

Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2010(as est in Nov.)			FY2009			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	180	89	2.0	178	117	1.5	2	1%	-28	-24%
Depreciation	113	90	1.3	103	80	1.3	10	10%	10	12%
R&D expenses	65	62	1.0	61	58	1.1	4	7%	4	7%
Interest-bearing debt	523	369	1.4	440	333	1.3	83	19%	123	37%
Net interest expense	-2	8	-	0	8	-	-2	-	-0	-5%
Exchange rate	90yen/\$、130yen/eur			100.57yen/\$、141.95yen/eur						
Dividend per share		10.00			10.00					
Employees	3,940	1,296	3.0	3,972	1,250	3.2	-32	-1%	46	4%

KUREHA

Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit: 100 million yen)

		FY2010 (as est. in Nov.)	FY2010 (as est. in May)	increase/decrease (Ratio)		FY2009	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	67	98	-31	-32%	78	-11	-14%
		Advanced plastics	116	106	10	9%	118	-2	-2%
		Others	27	26	1	4%	31	-4	-13%
		Total	210	230	-20	-9%	227	-17	-8%
		Consolidated subsidiaries	155	220	-65	-30%	203	-48	-24%
		Consolidation adjustments	-90	-120	30	-	-106	16	-
	Total	275	330	-55	-17%	324	-49	-15%	
Consolidated operating income		-29	-10	-19	-	7	-36	-	

KUREHA

Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

Specialty Chemicals

(Unit: 100 million yen)

		FY2010 (as est. in Nov.)	FY2010 (as est. in May)	increase/decrease (Ratio)		FY2009	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	103	108	-5	-5%	103	0	0%
		Agrochemicals	67	64	3	5%	74	-7	-10%
		Pharmaceuticals	125	108	17	16%	101	24	23%
	Total		295	280	15	5%	279	16	6%
	Consolidated subsidiaries		85	90	-5	-6%	93	-8	-8%
	Consolidation adjustments		-35	-30	-5	-	-32	-3	-
Total		345	340	5	1%	339	6	2%	
Consolidated operating income		58	49	9	18%	57	1	1%	

KUREHA

Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

Specialty Plastics

(Unit: 100 million yen)

		FY2010 (as est. in Nov.)	FY2010 (as est. in May)	increase/decrease (Ratio)		FY2009	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging materials	110	114	-4	-4%	100	10	10%
		Household products	222	225	-3	-1%	229	-7	-3%
		Fishing lines	11	11	0	0%	10	0	0%
		Others	12	20	-8	-40%	20	-8	-41%
	Total	355	370	-15	-4%	360	-5	-1%	
	Consolidated subsidiaries	320	320	0	0%	331	-11	-3%	
	Consolidation adjustments	-255	-250	-5	-	-255	0	-	
Total		420	440	-20	-5%	435	-15	-4%	
Consolidated operating income		13	19	-6	-32%	17	-4	-21%	

KUREHA

Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

			FY2010 (as est. in Nov.)	FY2010 (as est. in May)	increase/decrease (Ratio)		FY2009	increase/decrease (Ratio)	
Consolidated net sales	Kureha	Environmental engineering business	50	59	-9	-15%	65	-15	-23%
		Construction-related business	285	320	-35	-11%	348	-63	-18%
		Construction-related business	106	118	-12	-10%	124	-18	-15%
		Trading	17	19	-2	-11%	19	-2	-9%
		Others	32	32	0	0%	32	0	0%
	Total	490	548	-58	-11%	588	-98	-17%	
	Consolidation adjustments	-210	-208	-2	-	-249	39	-	
	Total	280	340	-60	-18%	339	-59	-17%	
Consolidated operating income			12	16	-4	-25%	21	-9	-43%

KUREHA

(Unit: 100 million yen)

		FY2009 (as est. in Nov.)		FY2008 (results)		Increase/decrease	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Cashflow from Operating activities	Pre-depreciation profit	148	120	163	122	-15	-2
	Increase/decrease in assets and liabilities	-24	-24	-12	-25	-12	1
	Payments of corporation tax	-12	-7	-37	-19	25	12
	Other-net	2	16	1	17	1	-1
		114	105	114	96	0	9
Cashflow from investing activities		-191	-139	-205	-160	14	21
Cashflow from financing activities		64	18	107	80	-43	-62
Effect of exchange rate changes on cash and cash equivalents		0	0	-5	0	5	0
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		-	-	-	-	-	-
Net increase/decrease in cash and cash equivalents		-13	-16	11	16	-24	-32
Cash and cash equivalents at beginning of year		73	44	61	28	12	16
Cash and cash equivalents at end of year		60	28	73	44	-13	-16

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