



## Kureha Corporation Reports Interim Results End of Q2 FY2012 (April - Sept. 2011)

**Tokyo, Japan – November 2011** – Leading specialty chemicals and plastic products company, Kureha Corporation (“Kureha”), has reported earnings for the half-year period ended September 30, 2011. On a consolidated basis, both operating income and recurring income increased significantly year-on-year (YoY), rising 40.1% to ¥4,214 million and 55.4% to ¥3,957 million, respectively. Overall sales, however, declined 9.0% YoY to ¥58,852 million and the company registered a net loss of ¥795 million.

Kureha’s internal cost reduction efforts covered the deterioration in top-line revenue resulting from the March 11 earthquake and April 11-12 aftershocks. However, the company had to accrue extraordinary losses related to the disaster (¥3,572 million) and securities’ evaluation losses (¥1,203 million), which led to a net deficit for the quarter. During the interim period, Kureha also recorded ¥700 million extraordinary income from the sale of the Besela business to Toppan Printing in April 2011.

Commenting on the results, Kureha President and Chief Executive Officer, Takao Iwasaki, said, “Our overall business environment has changed dramatically after the Great East Japan Earthquake. Although Kureha made significant progress on several new business initiatives, we were forced to temporarily close the Iwaki Factory for almost six months and devote our activities to repair work. Although a full scale recovery may not emerge until our customers see their own businesses bounce back, we anticipate gradual pick-up in demand for major strategic products, particularly in the Advanced Materials Division including PPS, PVDF and negative electrode materials for lithium batteries. Our efforts to bring a brand new product, PGA (polyglycolic acid) to market will continue and will bear fruit in years to come. With these developments in mind, Kureha will start reviewing its mid-term business plan during the second half of fiscal year 2012 and will reveal a new plan once thorough analysis has been completed.”

### Summary of consolidated half year results

(¥ million, except where stated)

	Sept. 2011	Sept. 2010	Change (%)
Sales	55,852	64,642	-9.0
Operating income	4,214	3,008	40.1
Recurring income	3,957	2,547	55.4
Net income	-795	1,253	-
Earnings per share (EPS) (¥)	-5.68	7.08	-

## Consolidated interim performance

(¥ million, except where stated)

Division		Sept. 20011	Sept. 2010	Change
Advanced materials	Sales	15,890	17,026	-1,135
	Operating income	587	109	478
Specialty chemicals	Sales	14,802	15,892	-1,089
	Operating income	2,870	2,412	458
Specialty plastics	Sales	17,110	20,813	-3,703
	Operating income	672	1,147	-474
Construction related	Sales	4,968	5,027	-58
	Operating income	341	-524	866
Other operations	Sales	6,080	5,883	197
	Operating income	388	22	365
<b>Total</b>	<b>Sales</b>	<b>58,852</b>	<b>64,642</b>	<b>-5,7900</b>
	<b>Operating profit</b>	<b>4,214</b>	<b>3,167</b>	<b>1,205</b>

## Performance by division

### Advanced Materials Division

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

For the half-year period, the Advanced Materials Division's performance exceeded Kureha's latest forecast. Although divisional sales declined by 7% YoY to ¥15.9 billion, the division recorded improved operating profit of ¥587 million.

### **Carbon fibers business to expand**

Sales of carbon products continued to increase from ¥3.3 billion to ¥3.5 billion, due to growth in demand for heat insulation materials used in the manufacturing of solar power equipment, while reduced depreciation expenditure helped to improve profitability. Sales of Kureha's hard carbon, *Carbotron*, for lithium-ion secondary batteries, which are mostly used for Hybrid and Electric Vehicles (HEVs), were flat, partially impacted by the automobile model change cycle.

### **Mixed results for advanced plastics**

Sales of advanced plastics declined slightly from ¥7.5 billion to ¥7.3 billion. Factors contributing to these results included the PPS plant being damaged by March earthquake and aftershocks, and as a result production was halted for a period of months. In addition, the U.S.-based joint venture, Fortron Industries, where production capacity is being increased from 8,600t/year to 15,000t/year, experienced a delay to this process due to local technical issues. However, sales and earnings of PVDF resin, which is used in electrode binders for lithium-ion batteries, improved.

### **PGA applications promising, but current cost pressure remains**

Shipments of PGA for use for PET bottles are starting, while development of a product application in the oil extraction area is also showing promising signs. Kureha originally planned to commence commercial production of PGA from August, but due to technical

issues commercial products are not expected to be shipped until January next year, thus interim operational losses are relating to the product are expected to widen.

**Outlook:** Divisional sales for the full-year are projected to be ¥34.5 billion, up from ¥33.4 billion, with operating income to reach ¥3.0 billion. It is anticipated that major products across the division will record an increase in sales, although operational costs for PGA continue to place pressure on overall divisional profits.

## **Specialty Chemicals Division**

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

Specialty Chemicals Division sales were down 7% YoY to ¥14.8 billion, while divisional operating income increased 20% to ¥2.9 billion.

### **Industrial chemicals hit hard by earthquake**

Sales of industrial chemicals, namely caustic soda, inorganic chemicals and chlorobenzene, declined 17% YoY to ¥4.3 billion largely due to earthquake related production cuts and a slowdown in demand.

### **Sales of agrochemicals strong**

Sales of agrochemicals improved from ¥2.9 billion to ¥3.6 billion, up 24% YoY. During the period, strong export sales recorded by *Metconazole*, a fungicide for oilseed rape and wheat, more than offset the impact of the weakened Euro.

### **Improved profit performance from pharmaceuticals business**

Sales of *Kremezin*, a therapeutic agent for chronic kidney disease, were strong and offset slower sales of *Krestin*, a cancer immunotherapy treatment. Overall sales of pharmaceutical products declined from ¥4.6 billion to ¥4.4 billion. However, the subdivision recorded profits due to recognition of R&D expenditure being delayed.

**Outlook:** Divisional sales are projected to be ¥31.5 billion for the full fiscal year, down from ¥33.6 billion in previous year. The anticipated weakening of performance is due to the fall in demand of industrial chemicals as a result of the earthquake, as well as an expected decline in sales of core pharmaceutical products.

## **Specialty Plastics Division**

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

Specialty Plastics Division operating income was down 41% YoY to ¥672 million, with sales declining by 18% YoY to ¥17.1 billion.

### **Sales of commercial-use packaging materials deteriorated**

Sales of commercial-use packaging materials including multi-layer shrinkable film and vinylidene chloride film deteriorated during the period, down by 29% YoY to ¥4.1 billion. PVDC compound exports to China were also down due to earthquake. However, production in Vietnam is continuing, with profitability at this operation improving.

### **Household-use packaging materials adversely affected by earthquake**

Sales of household products declined dramatically to ¥5.6 billion from ¥9.6 billion, down 42% YoY, due to the cut in production. While the negative impact from March to August was partly offset by cost-cutting efforts, this business was the hardest hit by the earthquake.

**Outlook:** For the full fiscal year, divisional sales are forecast to decline to ¥39.0 billion, from the ¥41.1 billion recorded during the previous fiscal year. Operating income is also expected to weaken from ¥1.8 billion to ¥1.5 billion, with the adverse impact from the earthquake continuing to be felt.

## **Other Operations / Construction Related**

*Major product areas – construction, environment, logistics, trading related businesses*

### **Strong demand for construction related businesses**

Sales at construction related businesses expanded by 27% YoY to ¥10.9 billion due to the increase in earthquake related works. Profitability had also improved from having previously being loss-making to recording ¥300 million operating income during the interim period.

### **Other operations to show improvement**

Excluding construction related work, the Other Operations Division recorded sales of ¥6.1 billion, up 3% YoY and operating income of ¥400 million. Of note, sales at environmental engineering businesses increased 19% YoY to ¥3.5 billion on the back of increased demand for industrial waste processing - mostly medical waste - stemming from the earthquake. In addition, the newly opened office in Kanagawa contributed with a solid improvement in operating performance. However, sales at logistics and warehousing businesses were down by 8% YoY, from ¥5.5 billion to ¥5.1 billion.

**Outlook:** Construction sales are projected to expand 20% YoY to ¥15.5 billion on the back of increased earthquake-related rebuilding efforts. Other Operations divisional sales, excluding construction, are also expected to increase 18% YoY to ¥13.5 billion, as a result of an accumulation in industrial waste processing requirements.

## **Consolidated capital expenditure, depreciation and R&D**

	Sept. 2011	Sept. 2010	March 2012 (forecast)
Capital expenditure	8.5	4.8	16.5
Depreciation	4.6	5.0	10.5
R&D	2.5	2.6	6.0
Interest-bearing debt	55.6	51.6	61.6

(¥ billion)

Capital expenditure swelled from ¥4.8 billion to ¥8.5 billion during the half-year period, mostly associated with overseas production facilities including PGA, PPS and packaging materials. For the full-year, capital expenditure is projected to be ¥16.5, up 17% YoY. Depreciation for the half-year period declined slightly from ¥5.0 billion to ¥4.6 billion.

R&D expenditure was down slightly from ¥2.6 billion to ¥2.5 billion, but is projected to be approximately ¥6.0 billion for the full fiscal year.

Interest-bearing debt has increased, from ¥51.6 billion to ¥55.6 billion during the half-year period and is projected to reach ¥61.6 billion for the full fiscal year, due to the earthquake related drop-off in business.

### **Outlook for the full year**

(¥ million, except where stated)

	<b>March 2012 (Forecasts)</b>	<b>March 2011</b>	<b>Change (%)</b>
Sales	134,000	132,309	1.3
Operating income	6,500	6,350	2.4
Recurring income	6,000	5,638	6.4
Net income	500	692	-27.8
Earnings per share (EPS) (¥)	2.91	3.97	-26.7

Overall sales for the fiscal year ending March 2012 are forecast to decline to ¥134.0 billion, although operating and recurring income is expected to show some improvement. Net income for the full year is projected to be ¥500 million.

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### **For further information, please contact:**

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## Condensed interim balance sheets

As of 30 September 2011 and 2010

	¥ million	
	Sept. 2011	Sept. 2010
<b>Assets</b>		
Current assets	58,563	62,720
Cash and cash equivalents	6,055	8,138
Fixed assets	118,746	114,815
Property, plant and equipment	87,422	81,124
Intangible assets	909	989
Investments and other assets	31,324	32,701
<b>Total Assets</b>	<b>178,219</b>	<b>177,536</b>
<b>Liabilities and Net Assets</b>		
Current liabilities	49,620	41,172
Short-term borrowings	15,235	12,306
Fixed liabilities	40,878	44,816
Corporate bonds	20,000	20,000
Long-term borrowings	15,345	19,260
<b>Total Liabilities</b>	<b>90,499</b>	<b>85,988</b>
<b>Net Assets</b>		
Shareholders' equity	87,478	90,730
Minority interest	724	204
<b>Total Net Assets</b>	<b>87,720</b>	<b>91,547</b>
<b>Total Liabilities and Net Assets</b>	<b>178,219</b>	<b>177,536</b>

## Condensed interim income statement

For the fiscal years ended 30 September 2011 and 2010

	¥ million	
	Sept. 2011	Sept. 2010
<b>Sales</b>	<b>58,852</b>	<b>64,642</b>
Cost of goods sold	42,079	47,976
Selling, general and administrative expenses	12,558	13,657
<b>Operating income</b>	<b>4,214</b>	<b>3,008</b>
Non-operating income	672	651
Non-operating expenses	928	1,113
<b>Recurring income</b>	<b>3,957</b>	<b>2,547</b>
Extraordinary gains	841	280
Extraordinary losses	5,153	408
<b>Income before income taxes</b>	<b>-354</b>	<b>2,418</b>
Taxes and minority interest adjustments	499	1,165
<b>Net income</b>	<b>-975</b>	<b>1,253</b>

# Interim Results for the Financial Year Ending March 31, 2012

November 15, 2011

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# 1. Interim Results for the Financial Year 2011

# Financial Highlights

## (Comparison with same period in FY2010)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2011 Interim			FY2010 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-Consolidated	
Net sales	588.5	338.4	1.7	646.4	421.2	1.5	-57.9	-9.0%	-82.8	-19.7%
Operating income	42.1	29.5	1.4	30.1	26.8	1.1	12.1	40.1%	2.7	10.1%
Recurring income	39.6	32.8	1.2	25.5	27.2	0.9	14.1	55.4%	5.7	20.8%
Net income	-9.8	-13.4	0.7	12.5	36.5	0.3	-22.3	-	-49.9	-
Total assets	1,782	1,460	1.2	1,775	1,473	1.2	7	-	-13	-
Shareholders' equity	877	834	1.1	915	867	1.1	-38	-	-34	-
Net income per share (yen)	-5.68	-7.78	0.7	7.08	20.60	0.3	-12.76	-	-28.38	-
Shareholders' equity per share (yen)	506.3	485.24	1.0	531.76	504.97	1.1	-25.46	-	-19.73	-
Equity ratio	%	%		%	%		%		%	
	48.8	57.1	0.9	51.4	58.8	0.9	-2.6	-	-1.7	-

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Advanced Materials

(Unit:100 million yen)

		FY2011 Interim results	FY2010 Interim results	Increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	35	33	2	7%
		Advanced plastics	73	75	-2	-3%
		Others	1	17	-16	-93%
		Total	109	125	-16	-13%
	Consolidated subsidiaries	106	100	5	5%	
	Consolidation adjustments	-56	-55	-1	-	
	Total	159	170	-11	-7%	
Consolidated operating income		6	1	5	439%	

**KUREHA**

## Specialty Chemicals

(Unit:100 million yen)

		FY2011 Interim results	FY2010 Interim results	Increase/ decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	43	52	-9	-17%
		Agrochemicals	36	29	7	24%
		Pharmaceuticals	40	46	-6	-12%
		Total	119	127	-8	-6%
	Consolidated subsidiaries	42	49	-7	-14%	
	Consolidation adjustments	-13	-17	4	-	
	Total	148	159	-11	-7%	
Consolidated operating income		29	24	5	20%	

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

			FY2011 Interim results	FY2010 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Food packaging	41	57	-17	-29%
		Household products	56	96	-40	-42%
		Fishing lines	6	5	0	4%
		Others	8	10	-2	-22%
		Total	110	169	-59	-35%
		Consolidated subsidiaries	98	122	-25	-20%
		Consolidation adjustments	-36	-83	47	-
		Total	171	208	-37	-18%
Consolidated operating income			7	11	-5	-41%

**KUREHA**

# Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

## Other Operations

(Unit: 100 million yen)

		FY2011 Interim results	FY2010 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Construction-related business	109	86	23	27%
	Consolidation adjustments	-59	-36	-23	-
	Total	50	50	-0	-1%
Consolidated operating income		3	-5	8	-

(Unit: 100 million yen)

			FY2011 Interim results	FY2010 Interim results	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Environmental engineering business	35	29	6	19%
		Logistics and warehousing business	51	55	-4	-8%
		Trading	9	11	-2	-21%
		Others	11	15	-3	-24%
		Total	105	110	-4	-4%
	Consolidation adjustments	-45	-51	6	-	
Total		61	59	2	3%	
Consolidated operating income			4	0	4	1664%

**KUREHA**

# Analysis of Recurring Income (Comparison with same period in FY2010)

KUREHA CORPORATION

(Unit: 100million yen)

		FY2011 Interim		FY2010 Interim		Change
Recurring income	Kureha	32.8	83%	27.2	107%	5.6
	Consolidated subsidiaries	16.4	41%	4.1	16%	12.3
	Equity-method affiliates	1.1	3%	1.8	7%	-0.7
	Consolidation adjustments	-10.7	-27%	-7.6	-30%	-3.1
	計	39.6	100%	25.5	100%	14.1

## Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased unit sales price	5	Decreased sales volume	-43	5.6
	Decreased manufacturing fixed costs	20	Increased unit price of purchased products raw materials and fuels	-3	
	Differing inventories levels	10			
	Decreased selling direct cost	4			
	Decreased general and administrative costs	10			
	Financial balance and others	3			
		52		-46	
Consolidated	Domestic advanced materials business	1	Overseas specialty plastics business	-2	12.3
	Overseas advanced materials business	2			
	Domestic specialty plastics business	1			
	Construction-related business	9			
	Others	3			
		16		-2	

**KUREHA**

# Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit:100 million yen)

		FY2011 Interim		FY2010 Interim		Increase/decrease	
		Consolidated	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated	Non-Consolidated
Extraordinary income	Income from sales of investment securities	0.0	-	2.1	0.0	-2.1	0.0
	Licensee transfers	7.0	7.0	-	-	7.0	7.0
	Others	1.4	0.3	0.7	22.3	0.7	-22.0
	<b>Total</b>	<b>8.4</b>	<b>7.3</b>	<b>2.8</b>	<b>22.3</b>	<b>5.6</b>	<b>-15.0</b>
Extraordinary	Loss on valuation of investment securities	12.0	12.0	-	-	12.0	12.0
	Loss on limination/sales of fixed assets	2.0	2.0	0.7	1.4	1.3	0.6
	Indication of accumulated loss for tangible fixed assets	0.7	0.7	-	-	0.7	0.7
	Loss due to disaster	35.7	38.3	-	-	35.7	38.3
	Others	1.0	-	3.4	2.7	-2.4	-2.7
	<b>Total</b>	<b>51.5</b>	<b>53.0</b>	<b>4.1</b>	<b>4.1</b>	<b>47.4</b>	<b>48.9</b>

**KUREHA**



# Key Indicators (Comparison with same period in FY2010)

KUREHA CORPORATION

(Unit:100 million yen)

	FY2011 Interim			FY2010 Interim			Increase/decrease (Ratio)			
	Consolidated	Non-Consolidated	Ratio	Consolidated	Non-Consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	85	37	2.3	48	26	1.8	37	79%	11	41%
Depreciation	46	39	1.2	50	41	1.2	-4	-8%	-3	-6%
R&D expenses	25	24	1.1	26	25	1.0	-1	-3%	-1	-4%
Interest-bearing debt	556	409	1.4	516	365	1.4	40	8%	44	12%
Net interest expense	-0	7	-	-0	5	-	0	-	2	-
Exchange rate *	80.0 yen/\$、114.3yen/eur			89.2 yen/\$、114.5 yen/eur						
Dividend per share	5.0			5.0						
Employees	4,091	1,661	2.5	4,084	1,653	2.5	7	0%	8	0%

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

# Balance Sheets

KUREHA CORPORATION

## 1.Assets

(Unit: 100 million yen)

	As of Sep.30,2011		As of Mar.30,2011		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Cash and cash equivalents	61	25	107	50	-47	-25
Accounts and notes receivable-trade	264	165	273	166	-9	-2
Inventories	187	135	192	141	-5	-6
Other current assets	73	93	69	93	4	1
Sub total	586	418	642	450	-56	-32
Property, plant and equipment	874	547	839	553	35	-6
Intangible assets	9	6	9	5	0	0
Investments and other assets	313	489	328	490	-15	-1
Sub total	1,197	1,042	1,176	1,048	21	-6
Total	1,782	1,460	1,818	1,498	-36	-38

## 2. Liabilities and net assets

	As of Sep.30,2011		As of Mar.30,2011		Increase/decrease	
	consolidated	Non-consolidated	consolidated	Non-consolidated	consolidated	Non-consolidated
Accounts and notes payable-trade	140	59	142	66	-2	-7
Interest-bearing debt	556	409	549	396	7	13
Reserves	36	18	51	31	-15	-13
Other liabilities	173	141	181	149	-8	-8
Sub total	905	626	923	642	-18	-16
Common stock	125	125	125	125	0	-0
Capital reserves	91	102	95	102	-3	0
Retained earnings	704	616	719	638	-15	-22
Treasury stock, at cost	-45	-45	-45	-45	0	0
Valuation and translation adjustment	-6	36	-5	36	-1	-0
Share warrant	1	1	1	1	0	0
Minority interests	7	-	6	-	1	-
Sub total	877	834	895	856	-18	-23
Total	1,782	1,460	1,818	1,498	-36	-38

**KUREHA**

(Unit: 100 million yen)

		FY2011 Interim		FY2010 Interim		Increase/decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	42	26	74	87	-32	-61
	Increase/decrease in assets and liabilities	21	-5	2	4	19	-8
	Payments of corporation tax	-4	-2	-17	-15	13	13
	Other-net	-6	-3	-5	-17	-1	14
		53	16	54	59	-1	-43
Cashflow from investing activities		-96	-44	-44	-42	-52	-2
Cashflow from financing activities		-3	4	-0	-27	-3	31
Effect of exchange rate changes on cash and cash equivalents		-1	0	-0	0	-1	0
Net increase/decrease in cash and cash equivalents due to change in scope of consolidation		-	-	-	0	-	-
Net increase/decrease in cash and cash equivalents		-47	-25	9	-10	-56	-15
Cash and cash equivalents at beginning of year		107	50	72	47	35	3
Cash and cash equivalents at end of year		-61	25	81	37	-142	-12

### 3. Estimates for the Financial Year ending March 2012

# Estimated Figures

KUREHA CORPORATION

<Comparison with FY2011>

( Unit: 100 million yen)

	FY2012(as est in Nov.)			FY2011			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Net sales	1,340	780	1.7	1,323	832	1.6	17	1.3%	-52	-6.3%
Operating income	65	45	1.4	64	51	1.2	2	2.4%	-6	-12.6%
Recurring income	60	45	1.3	56	51	1.1	4	6.4%	-6	-12.4%
Net income	5	-5	-	7	33	0.2	-2	-27.7%	-38	-

**KUREHA**

## Advanced Materials

(Unit: 100 million yen)

		FY2012 (as est. in Nov.)	FY2011	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Carbon products	77	73	4	5%
		Advanced plastics	157	143	14	10%
		Others	6	32	-26	-81%
		Total	240	248	-8	-3%
	Consolidated subsidiaries	230	195	35	18%	
	Consolidation adjustments	-125	-109	-16	-	
	Total	345	334	11	3%	
Consolidated operating income		3	4	-1	-25%	

## Specialty Chemicals

(Unit: 100 million yen)

		FY2012 (as est. in Nov.)	FY2011	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Industrial chemicals	94	99	-5	-5%
		Agrochemicals	80	72	8	11%
		Pharmaceuticals	86	102	-16	-16%
		Total	260	273	-13	-5%
		Consolidated subsidiaries	80	95	-15	-16%
		Consolidation adjustments	-25	-32	7	-
		Total	315	336	-21	-6%
Consolidated operating income		41	52	-11	-21%	

# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Specialty Plastics

(Unit: 100 million yen)

		FY2012 (as est. in Nov.)	FY2011	increase/decrease (Ratio)		
Consolidated net sales	Kureha	Food packaging materials	98	110	-12	-11%
		Household products	150	175	-25	-14%
		Fishing lines	11	10	1	10%
		Others	20	16	4	25%
		Total	280	311	-31	-10%
		Consolidated subsidiaries	210	223	-13	-6%
		Consolidation adjustments	-100	-123	23	-
	<b>Total</b>	<b>390</b>	<b>411</b>	<b>-21</b>	<b>-5%</b>	
Consolidated operating income		15	18	-3	-17%	

**KUREHA**



# Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

## Other Operations

(Unit: 100 million yen)

		FY2012 (as est. in Nov.)	FY2011	Increase/ decrease (Ratio)	
Consolidated net sales	Construction-related business	260	208	52	25%
	Consolidation adjustments	-105	-80	-25	-
	Total	155	128	27	21%
Consolidated operating income		3	-4	7	-

(Unit: 100 million yen)

			FY2012 (as est. in Nov.)	FY2011	Increase/ decrease (Ratio)	
Consolidated net sales	Kureha	Environmental engineering	73	58	15	27%
		Logistics and warehousing business	106	110	-4	-3%
		Trading	20	19	1	4%
		Others	21	27	-6	-23%
		Total	220	214	6	3%
	Consolidation adjustments		-85	-99	14	-
Total		135	115	20	18%	
Consolidated operating income			9	0	9	2208%

**KUREHA**

# Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

	FY2012(as est in Nov.)			FY2011			Increase/decrease (Ratio)			
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Consolidated		Non-consolidated	
Capital expenditure	165	115	1.4	141	62	2.3	24	17%	52	84%
Depreciation	105	90	1.2	103	87	1.2	2	2%	3	4%
R&D expenses	60	55	1.1	55	52	1.1	5	9%	3	5%
Interest-bearing debt	616	468	1.3	549	396	1.4	67	12%	72	18%
Net interest expense	-2	7	-	-0	7	-	-2	-	0	0%
Exchange rate	80yen/\$、110yen/eur			85.93yen/\$、113.47yen/eur						
Dividend per share	10.00			10.00						
Employees	4,077	1,625	2.5	4,078	1,626	2.5	-1	0%	-1	0%

**KUREHA**

(Unit: 100 million yen)

		FY2012 (as est. in Nov.)		FY2011 (results)		Increase/decrease	
		Consolidated	Non- consolidated	Consolidated	Non- consolidated	Consolidated	Non- consolidated
Cashflow from Operating activities	Pre-depreciation profit	110	79	120	122	-10	-43
	Increase/decrease in assets and liabilities	-24	-23	10	22	-34	-45
	Payments of corporation tax	-7	-3	-23	-18	16	15
	Other-net	-4	-8	18	7	-22	-15
		75	45	125	133	-50	-88
Cashflow from investing activities		-158	-122	-114	-125	-44	3
Cashflow from financing activities		54	54	27	-5	27	59
Effect of exchange rate changes on cash and cash equivalents		-1	0	-3	-0	2	0
Net increase/decrease in cash and cash equivalents		-30	-23	35	3	-65	-26
Cash and cash equivalents at beginning of year		107	50	72	47	35	3
Cash and cash equivalents at end of year		77	27	107	50	-30	-23

## 3. Consolidated Companies

# Consolidated Companies

KUREHA CORPORATION

(Unit :100million yen)

		FY2011 Interim		FY2010 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Kureha Corporation</b>		338	1,460	421	1,473	-83	-13
<b>Kureha Trading Co., Ltd. and one group company</b>		138	120	147	125	-9	-5
<b>Advanced Materials</b>	Kureha Corporation	109	-	125	-	-16	-
	Kureha trading Co., Ltd and one group company	48	-	55	-	-7	-
	Nihon Extron Co., Ltd.	7	16	6	16	1	0
	Kureha Extech Co., Ltd.	12	16	11	17	1	-1
	Kureha Battery Materials Japan Co.,Ltd. and one group companies	-	83	-	-	-	-
	Kureha GmbH	9	10	8	9	1	1
	Kureha America Inc. and 3 group companies	16	224	14	166	1	58
	Kureha Chemicals Shanghai Co., Ltd.	14	25	6	22	8	2
Consolidation adjustments		-56	-	-55	-	-1	-
Total		159	-	170	-	-11	-
<b>Specialty Chemicals</b>	Kureha Corporation	119	-	127	-	-8	-
	Kureha trading Co., Ltd and one group company	42	-	49	-	-7	-
	Consolidation adjustments	-17	-	-17	-	0	-
Total		148	-	159	-	-11	-
<b>Specialty Plastics</b>	Kureha Corporation	110	-	169	-	-59	-
	Kureha trading Co., Ltd and one group company	39	-	43	-	-4	-
	Kureha Gosen Co., Ltd.	14	19	12	19	2	0
	Krehalon Industrie B.V. and 4 group companies	34	46	31	43	4	3
	Kureha Vietnam Co., Ltd	10	33	4	30	4	-
	Kureha Plastics Co., Ltd	-	-	32	-	-	-
	Consolidation adjustments	-36	-	-83	-	47	-
Total		171	-	208	-	-37	-

**KUREHA**

# Consolidated Companies

KUREHA CORPORATION

(Unit:100 million yen)

		FY2010 Interim		FY2009 Interim		Increase/decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
<b>Construction related</b>	Kurehanishiki Construction Co., Ltd. and 3 group companies	61	85	48	54	13	31
	Kureha Engineering Co., Ltd.	48	51	38	39	10	13
	Consolidation Adjustments	-59	-	-36	-	-24	-
	<b>Total</b>	<b>50</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-1</b>	<b>44</b>
<b>Other Operations</b>	Kureha Ecology Management Co., Ltd.	29	64	23	63	6	1
	Kureha Special Laboratory Co., Ltd.	5	6	6	7	-1	-0
	Kureha Unyu Co., Ltd and 6 group companies	51	62	55	62	-4	-1
	Kureha Trading Co., Ltd	9	-	11	-	-2	-
	Kureha Service Co., Ltd.	3	8	3	9	-0	-1
	Kureha Staff Service Co., Ltd.	9	6	12	7	-3	-1
	Consolidation Adjustments	-45	-	-51	-	6	-
<b>Total</b>	<b>61</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>1</b>	<b>-</b>	
(Number of consolidated companies)		(35)		(32)			
<b>Consolidation Total</b>		<b>646</b>	<b>-</b>	<b>646</b>	<b>-</b>	<b>0</b>	<b>-</b>
Equity-method affiliates	Nangtong SKT New Material Co., Ltd.	13	-	15	-	-2	-

**KUREHA**

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- These materials were prepared by our company based on the information available at this point in time, however actual performance may produce results that differ from the plan, due to a variety of factors
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