KUREHA

KUREHA CORPORATION

BUSINESS REPORT 2009

Year ended March 31, 2009

Profile

Kureha takes pride in its history of developing original, innovative technology

Kureha is a leading diversified chemical products manufacturer that has applied its technological development expertise to create original products in fields including advanced products, pharmaceuticals, agrochemicals, and packaging materials. Since its establishment in 1944, Kureha's growth and development has come exclusively from producing innovative products developed in-house rather than from using outside technology.

Since 2001, Kureha has undergone a major transformation to enable it to constantly develop products to meet the ever-changing needs of customers. As part of this transformation, it moved away from manufacturing commodity chemicals to focus on key strategic business areas–including advanced products, pharmaceuticals and agrochemicals, and high-barrier packaging materials–where the company can benefit from its original technology and marketing strengths to secure steady growth.

To support its transformation, Kureha developed a new mission, "**the pursuit of excellence**," with the aim of becoming a leading global specialty products company. Kureha also changed its name from Kureha Chemical Industry Co., Ltd., to Kureha Corporation on October 1, 2005.

These moves have already reaped rewards, with Kureha displaying significant development, production, and marketing abilities. Kureha's goal is to foster future growth by advancing a model that takes a global perspective and focuses on winnable markets in each of its business areas, including those that are still in the developmental phase.

Corporate Identity

Mission	**The pursuit of excellence**
Corporate philosophy	•We treasure people and the natural environment •We constantly evolve through innovation •We contribute to society by developing beneficial products
Employee code of conduct	We always act as global corporate citizens, recognizing our corporate social responsibilities. •In relation to our clients: Customer satisfaction is our prime priority •In relation to our work: We will always pursue progress and innovation We will maintain a global perspective as we respond to change •In relation to our colleagues: Mutual respect and teamwork will always be fundamental to sound employee relationships

Contents

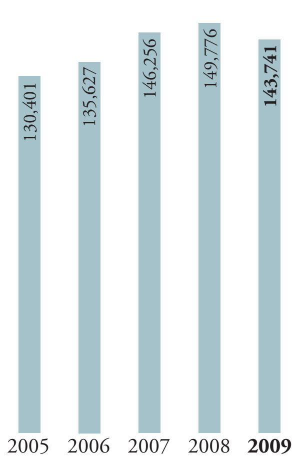
Consolidated Financial Highlights

KUREHA CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

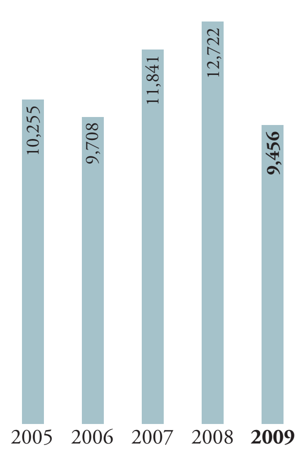
	Millions of yen		Percentage change	Thousands of U.S. dollars
	2009	2008	2009/2008	**2009**
For the year:				
Net sales	**¥143,741**	¥149,776	-4.0%	**$1,463,311**
Operating income	**9,456**	12,722	-25.7	**96,264**
Net income	**3,373**	6,097	-44.7	**34,338**
Capital expenditure	**17,829**	10,085	76.8	**181,503**
Depreciation	**10,304**	10,148	1.5	**104,897**
R&D expenses	**6,085**	6,543	-7.0	**61,946**
Year-end:				
Total assets	**¥182,224**	¥187,349	-2.7%	**$1,855,075**
Net assets	**97,075**	104,582	-7.2	**988,242**
Interest-bearing debt	**44,033**	32,040	37.4	**448,264**
	Yen		Percentage change	U.S. dollars
Amounts per share:				
Net income – basic	**¥ 18.75**	¥ 33.39	-43.8%	**$ 0.19**
Net assets	**533.45**	572.24	-6.8	**5.43**
	Percent		Change	
Ratios:				
Net income to net sales	**2.3%**	4.1%	-1.8%	
Return on equity	**3.4**	5.8	-2.4	
Return on assets	**4.7**	6.6	-1.9	
Equity ratio	**52.4**	55.2	-2.8	

Notes: 1. For convenience only, U.S. dollar amounts have been translated from Japanese yen at the rate of ¥98.23 to US$1, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on March 31, 2009.
2. For amounts per share, see Note 21 of the Notes on Consolidated Financial Statements.
3. Return on equity = [Net income / (Average net assets - Average minority interests - Average stock subscription rights)] x 100.
4. Return on assets = (Recurring income / Average total assets) x 100.

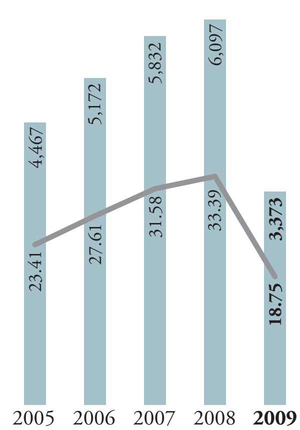
Net Sales
(Millions of yen)



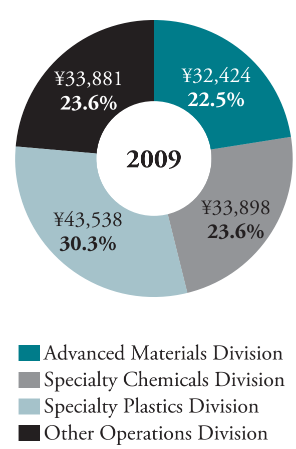
Operating Income
(Millions of yen)



Net Income
(Millions of yen)
Net Income per Share
(Yen)



Sales by Segment
(Millions of yen)



Message from the President

Growth through Expansion of Global Business Operations

Kureha has successfully demonstrated in recent years its ability to act with dynamism and resilience in response to the changing needs and challenges of global markets. This ability to constantly evolve has enabled Kureha to develop truly innovative products and access key growth markets. As Kureha's President, I would like to take this opportunity to look back on recent key developments and explain why, despite the difficult market environment, we look ahead with a sense of opportunity rather than crisis.

In 2008 Kureha introduced its new mid-term business plan, "Grow Globally". The plan builds on the previous mid-term plan, which was adopted in 2005 and sought to improve profitability by focusing on manufacturing high value-added differentiated products, by intensifying efforts on global growth and sustained results in new business areas. The new plan is based on an understanding that: a transformation in the global economic landscape is underway; concerns remain over resource shortages and environmental impact; and, Japanese manufacturers must make the best use of their technological advantages and talents in order to thrive.

As the name suggests, the core principle of the new mid-term plan is to achieve continued growth through the expansion of product applications and sales on a global basis. We now operate in a world where there are no borders to product solutions or markets. Kureha's products meet the daily needs of people in all parts of the world, while our global manufacturing and R&D footprint means that we can efficiently respond to market trends and leverage opportunities to Grow Globally.

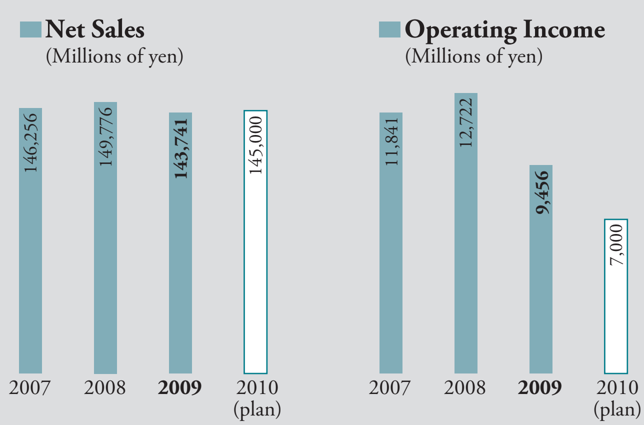
The mid-term plan also underscores Kureha's commitment to always act as a global corporate citizen, recognizing corporate social responsibilities and focusing on the environment and the needs of daily life. If we analyze Kureha's current business portfolio, most core products relate to environmental, energy-efficiency and healthcare sectors, all of which are essential to the development of a sustainable society and demonstrate Kureha's ability to meet a global society's evolving needs.

Kureha intends to: 1) cultivate and expand new unique ventures, and 2) build on its strengths in business sectors where it already commands a competitive edge.

One important example of Kureha's efforts to cultivate next generation global products is PGA (polyglycolic acid). Kureha has completed development of breakthrough technology and confirmed intellectual property rights in relation to PGA, and is constructing a new U.S. production facility that is expected to be operational from mid 2010. With characteristics ideally suited to high-performance packaging and industrial applications, applications include PET bottles, where adding a layer of PGA can improve carbon dioxide retention for carbonated soft drinks and lead to resource savings due to reduced PET usage. Kureha is working to expand the list of PGA applications and expects the product to become a centerpiece of the company's strategy of focusing on value-added, highly-differentiated products.

Another new product identified as a key growth driver is Kureha's hard carbon negative-electrode material for hybrid-electric vehicle batteries. The company's R&D experts are currently working with automotive and battery manufacturers to deliver products that ensure a competitive edge and meet specific market needs. At the same time, a supply structure is being established with a view to beginning operations in fiscal 2010.

Rolling Plan Initiatives



Sectors that we intend to reinforce and build on market-leading positions include carbon fiber for heat insulating materials, where Kureha's products command a 50% global market share and continue to experience demand growth due to excellent characteristics including thermal and chemical resistance, adaptability to sliding, and minimal contamination risk. In particular, strong demand exists for use as an insulating material in silicon ingot production for semiconductors. Kureha is moving to increase carbon fiber production capacity at the Iwaki Factory and at Kureha Chemicals Shanghai to meet demand growth. Carbon fiber products recorded a slight increase in sales in fiscal 2008, growing to ¥7.8 billion despite the difficult operating environment.

In addition, Kureha's PVDF resin holds a 70% global share in the market for lithium-ion battery binders, used in mobile phones, PCs and other applications, and further demand growth is expected. Global growth is also demonstrated by products including *Kremezin*, the therapeutic agent for chronic kidney disease, which is undergoing Phase III clinical trials in the U.S. and Europe, and *Krehalon*, the commercial food packaging material, which Kureha is now manufacturing in Vietnam and aims to cultivate in South East Asian and Indian markets in collaboration with local food companies.

In the fiscal year ended March 31, 2009, the global economy was characterized by a sharp drop in demand and considerable uncertainty. In these conditions, Kureha's operating income on a consolidated basis declined by 25.7% year-on-year to ¥9.45 billion, while recurring income was down by 31.7% to ¥8.65 billion. Sales declined by 4.0% to ¥143.7 billion. These results reflect the turmoil in the global economy as a whole. It is clear, however, that Kureha is not alone in having felt the impact of this crisis, nor has it been among the worst affected. This situation merely strengthens our resolve to accelerate efforts to focus on specialty products and build a non-cyclical business foundation.

Therefore, despite current setbacks, the business scenario envisaged in the mid-term business plan, Grow Globally, remains intact. We continue to have full confidence in this strategy, evidenced by a commitment to maintain high levels of research and development investment, and through this plan will strive to realize our responsibilities to stakeholders and meet customer needs.

We look forward to your continued support.

July 2009

Takao Iwasaki

Takao Iwasaki

President & Chief Executive Officer

The Year's Highlights

Expansion of carbon fiber production capacity

An indispensable material in diverse industrial sectors, Kureha's highly regarded carbon fiber products continue to see demand growth due to excellent characteristics including thermal and chemical resistance, adaptability to sliding, and minimal contamination risk.

At Kureha's Iwaki Factory in Fukushima Prefecture, Japan, carbon fiber production capacity was increased from 1,100 tonnes to 1,450 tonnes by January 2009. In addition, processing capacity will be doubled at Iwaki Factory by February 2009 and tripled at Kureha Chemicals Shanghai Co., Ltd. by 2012. Kureha will continue to further expand capacity as demand grows.

As an insulating material for high-temperature heat-treatment furnaces, Kureha's carbon fiber products currently enjoy approximately 50% global market share.

Iwaki Carbon Fiber plant

PGA plant construction proceeding

Kureha announced its plans to commercialize PGA (polyglycolic acid) resin in December 2007 and established Kureha PGA LLC in West Virginia, U.S. in January 2008 for the production and sale of the high performance polymer. A ground breaking ceremony was held in April 2008 on the site of the planned PGA production facility, which is to be located on the DuPont site in Belle, West Virginia.

PET/PGA multilayer bottles

A major attribute of PGA resin is its high level of impermeability to gases such as oxygen and carbon dioxide; around 100 times higher than PET (polyethylene terephthalate) resin. Due to PGA's outstanding gas barrier properties, adding a layer of PGA to a PET bottle means it is possible to improve carbon dioxide retention for carbonated soft drinks and at the same time reduce the amount of PET material required. In addition, reduced PET usage leads to resource savings and thereby contributes to protection of the environment.

Construction of the PGA plant is on track and is scheduled for completion in mid 2010. PGA has already been evaluated highly by potential customers considering adopting the product for carbonated soft drinks and beer bottles, as well as in surgical sutures due to its biodegradable properties.

Progress towards global expansion of *Kremezin*

Therapeutic agent for chronic kidney disease

Kremezin, a chronic kidney disease treatment, is an oral absorbent made of high-purity multiporous spherical activated carbon that helps to relieve uremic symptoms and delay the commencement of dialysis. In Japan, Korea and Taiwan, where Kremezin is already marketed as an active and positive treatment for chronic kidney disease during the maintenance period, sales have grown as the number of patients requiring such treatment increases.

In U.S. and European markets, Kureha licensed the rights to develop and distribute *Kremezin* to Mitsubishi Tanabe Pharma in November 2006. Currently, Phase III clinical trials are underway, with a view to sales being launched in 2012.

In other Asian markets, Kureha licensed development and distribution rights for the Philippines to Detoxicare Philippines, Inc. in September 2008 and for India to LG Life Sciences India Pvt. Ltd. in February 2009. Following these agreements, Kureha expects *Kremezin* to be sold in the Philippines from 2010 and in India from 2012.

New Krewrap: Greater user convenience

New Krewrap, the household wrapping film manufactured from polyvinylidene chloride resin, has seen increased consumer support as a result of efforts to improve user convenience. In addition, the increased ratio of higher margin products and further price optimization efforts have contributed to Kureha's overall profitability.

Product renewals, including replacing the metal cutting blade with a bio-degradable plastic blade, have contributed to *New Krewrap* being highly regarded by the market, as is reflected by the decision to award the product the Good Design Award 2008 and Food Category Award at the Japan Packaging Contest 2008.

Kureha will continue its efforts to improve customer satisfaction by further enhancing usability and upgrading packaging design in July 2009, which marks fifty years of *Krewrap*, the first household wrapping film available in Japan.

Advertisement (*New krewrap*)

Review of Operations

ADVANCED MATERIALS DIVISION

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

Advanced materials division sales were down 17% year-on-year to ¥32.4 billion, while operating income declined by 85% to ¥0.7 billion. PPS resin for automotive and electronics applications experienced a sharp drop in sales, resulting in earnings deterioration both in Japan and the U.S., while carbon fibers experienced growth in demand during the period.

Carbon fiber business to expand

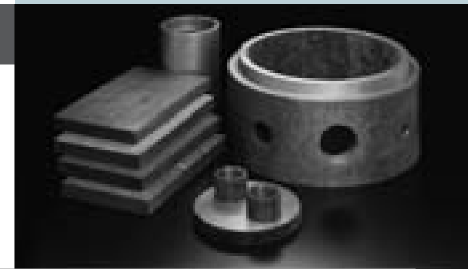
Kureha has increased production capacity for carbon fiber products at the Iwaki Factory and also at Kureha Chemicals Shanghai to meet continued growth in demand for use as an insulating material in silicon wafers for semiconductors and solar powered equipment. Sales of carbon fiber products in FY2008 grew slightly from ¥7.7 billion to ¥7.8 billion, but the increase in depreciation and the stronger yen impacted operating profit.

Advanced plastics decline sharply

Sales of advanced plastics were down 28% from ¥16.3 billion to ¥11.8 billion. In particular, this was due to the fall in auto sales, which also impacted profits. PVDF resin, which in recent years has experienced strong demand for use in lithium ion secondary batteries for use in PCs and cell phones, also recorded a sharp fall in sales on the back of slower demand and inventory adjustments in the electronics sector.

Outlook: FY2009 divisional sales are projected to be almost constant at ¥33.0 billion, but operating income is expected to shift to a ¥1.0 billion deficit. The outlook for the advanced materials division is likely to remain uncertain as long as the global recession and suppressed demand in the auto industry continues. The carbon fiber business, however, is expected to experience strong growth with sales projected to increase from ¥7.7 billion to ¥9.8 billion in FY2009.

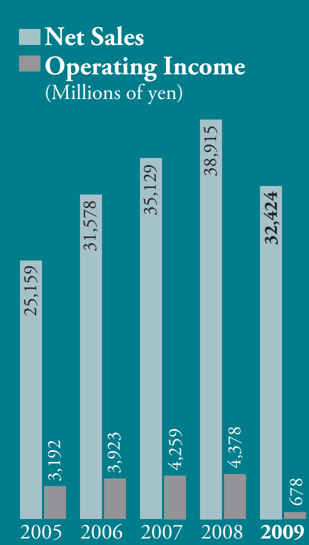
Heat-resistance materials for heat-treatment furnaces

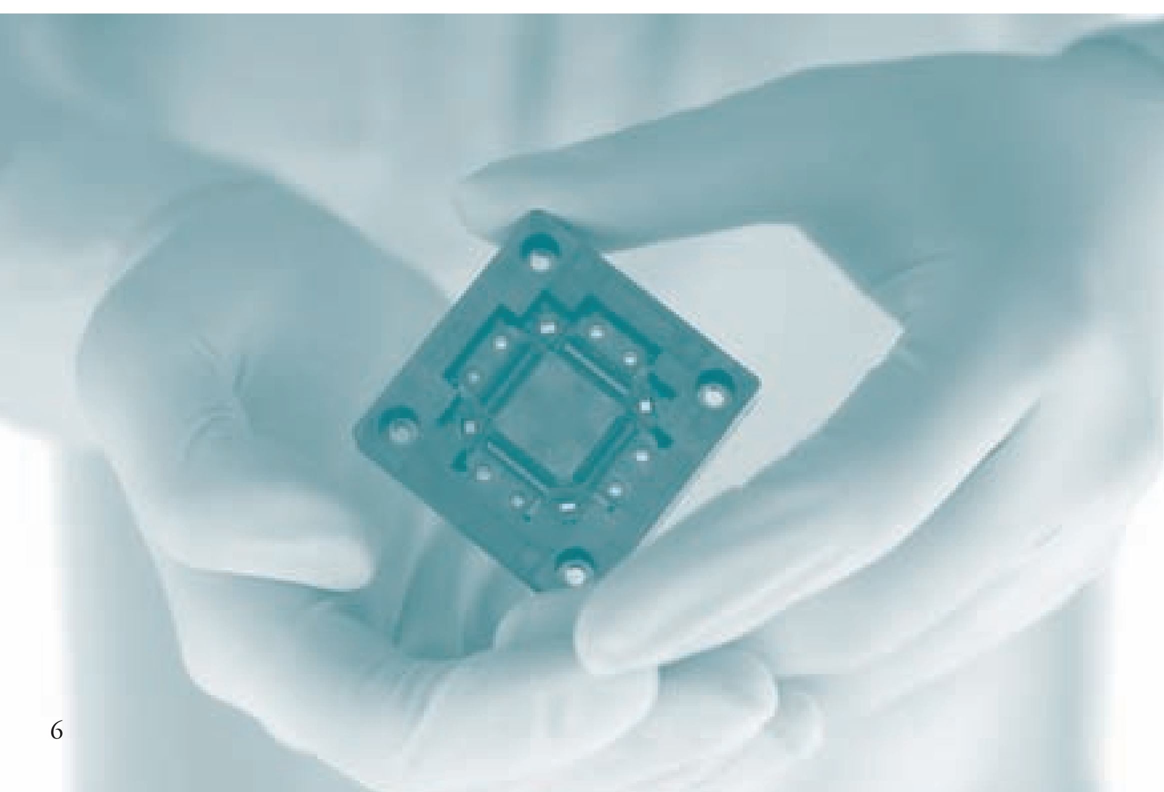


Fortron KPS, used in electrical and electronic parts

Major Product Areas

- PPS resin
- PVDF resin
- Antistatic resin
- Carbon fiber
- Bead-shaped activated carbon
- Specialty carbon material





SPECIALTY CHEMICALS DIVISION

Major product areas:
industrial chemicals, agrochemicals, pharmaceuticals

Specialty chemicals division sales were up 4% year-on-year to ¥33.9 billion. Divisional operating income recorded a 65% increase to ¥5.7 billion, thanks to the stable performance of agrochemical and pharmaceutical businesses.

Kremezin continues to perform well

Sales of pharmaceutical products increased from ¥8.6 billion to ¥10.1 billion in FY2008 as a result of a strong performance by *Kremezin* offsetting a decline in sales of *Krestin*, a drug for cancer immunotherapy.

Industrial chemicals benefitted from price adjustment

Sales of industrial chemicals declined marginally to ¥10.3 billion. Despite the decrease in sales volume, however, initiatives to transfer the impact of rising raw materials and oil prices to the final product resulted in an increase in operating income.

Agrochemical products continued to grow

Sales of agrochemicals were up 7% year-on-year to ¥7.4 billion, with *Metconazole* continuing to enjoy strong overseas demand. Benefitting from stable licensing revenue and the strong Euro during the first half, the agrochemicals business also recorded growth in operating profits.

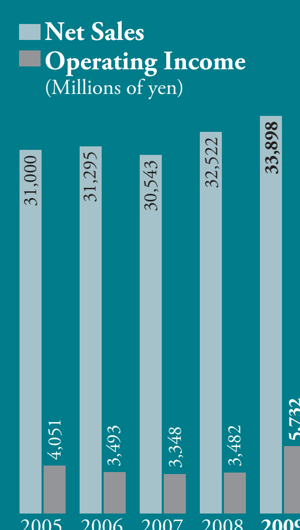
Outlook: FY2009 divisional sales are expected to stay at ¥34.0 billion, but operating income is projected to decline by 15% to ¥4.9 billion. Expected sales growth of *Kremezin* and *Krestin* will be impacted by a rising depreciation burden following *Kremezin* production capacity increases, while growth in sales of *Metconazole* in Europe and North America is expected to be negated by exchange rate fluctuations. The contribution made by licensing revenue to the divisional sales figure is expected to decline, while industrial chemicals should enjoy stable earnings.

Therapeutic agent for chronic kidney disease (*Kremezin*)

Agricultural fungicide (*Metconazole*)

Major Product Areas

- Caustic soda
- Hydrochloric acid
- Liquid chlorine
- Sodium hypochlorite
- Monochlorobenzene
- para-Dichlorobenzene
- ortho-Dichlorobenzene
- Anti cancer agent
- Therapeutic agent for chronic kidney disease
- Agricultural and horticulture fungicide
- Fertilized granulated soils



SPECIALTY PLASTICS DIVISION

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

Specialty plastics division sales dropped by 11% year-on-year to ¥43.5 billion, while operating income for the division halved to ¥1.7 billion. Earnings deterioration was mainly due to a decline in sales volume of PVDC compound to China and of fishing line products, as well as exchange rate losses on sales of packaging materials on Europe. Continuous improvements to *NEW Krewrap* product functionality, however, resulted in growth in household product sales.

Packaging materials business remains stable

Sales of food packaging materials were down by 9% to ¥10.0 billion. Domestic sales of PVDC film and multilayer films increased, while sales of large-lot machinery for food packaging machines slowed due to decline in demand.

NEW Krewrap continues solid earnings

Sales of household products grew by 7% to reach ¥22.9 billion. *NEW Krewrap* posted an improved sales figure due to an increase to the average unit price, although the overall sales volume remained flat. Rising raw material prices, however, had a negative impact on operating income.

Fishing line product sales slow

Sales of *Seaguar* series products were hit by weak private consumption.

Outlook: FY2009 divisional sales are forecast to increase by 1% to ¥44.0 billion, with operating income projected to grow by 15% to ¥1.9 billion. This improvement should primarily be the result of an increase in packaging materials sales volume in Europe, as well as the recovery of PVDC compound sales to China. Sales of *NEW Krewrap* are expected to be stable, while fishing line sales should bottom out.

NEW Krewrap

Food packaging film *Krehalon*, application example

Major Product Areas

- PVDC film
- PVDC compound
- Multilayer shrinkable film
- Multilayer non-shrinkable film
- Multilayer bottle
- High barrier lamination film
- Household wrapping film
- Kitchen sink use garbage bags
- Vacuum cleaner paper packs
- Plastic containers
- PVDF fishing lines
- Machinery for auto-seal food packaging

OTHER OPERATIONS DIVISION

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

Other operations division sales increased by 15% year-on-year to ¥33.9 billion, with operating income also up, by 30%, to ¥2.1 billion thanks to the completion of large-scale plant construction projects.

Environmental engineering profits to improve

In the environmental engineering area, overall sales were down by 4% to ¥6.5 billion. Sales from medical waste processing declined while costs associated with furnace repair and analysis work increased, resulting in a drop in profits.

Construction related businesses enjoy earnings boost

Sales at construction related businesses improved significantly, up 34% to ¥34.8 billion due to the completion of large-scale plant construction projects.

Logistics and warehousing businesses largely unchanged

Logistics and warehousing business sales presented a mixed picture and overall declined slightly to ¥12.4 billion. Logistics business activity declined and faced increased competition.

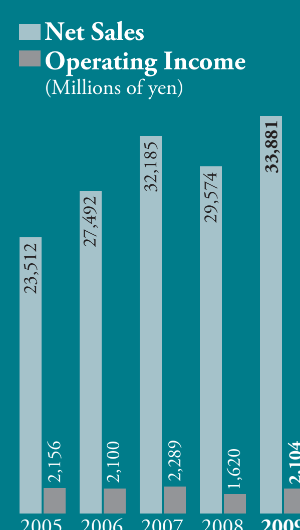
Outlook: FY2009 divisional sales are projected to be flat at ¥34.0, with operating income expected to be down 24% to ¥1.6 billion. Environmental engineering is forecast to remain stable through efforts to efficiently match operational capacity to demand.

Construction-related businesses

Transport and warehousing-related businesses

Major Product Areas

- Environmental engineering and industrial waste treatment businesses
- Industrial facility design, construction and management businesses
- Civil engineering and construction contracting businesses
- Transport and warehousing businesses



Research & Development

Kureha Corporation drives research and development (R&D) activities for the Kureha Group, providing technological support for the development of new products and market expansion of existing products. These activities are undertaken in accordance with fundamental business strategies: 1) positioning advanced materials, packaging materials, pharmaceuticals and agrochemicals as core products; and 2) securing the position of undisputed global leader for certain unique specialty products. Kureha's R&D efforts are managed in a manner that ensures efficiency, speed and maximizes business profitability.

Kureha has approximately 270 R&D staff at its three research complexes (the Research Center, the Biomedical Research Laboratories, and the Polymer Processing & Products Research Laboratories) and in the Process Development Division. These researchers pursue basic and exploratory research, as well as the timely commercialization of products, and also collaborate with business and manufacturing divisions at affiliated companies to enhance technological developments and productivity.

Kureha's commitment to R&D investment is demonstrated by R&D spending of ¥6.08 billion during the fiscal year ended March 31, 2009.

ADVANCED MATERIALS DIVISION >> R&D investment = ¥1.96 billion

Kureha continues to improve product quality and expand applications for advanced polymers such as PVDF resin, a field in which Kureha holds a leading position and is continuing to develop and commercialize higher performance binders. For *Fortron KPS*, which is widely used in automotive and electronic parts, Kureha is exploring ways to improve quality, lower costs, and increase productivity.

In the carbon materials area, Kureha is developing new negative-electrode materials for large lithium-ion batteries that are being rapidly developed by major automakers for use in hybrid-electric vehicles.

Kureha is actively developing applications ahead of full-scale production of PGA resin in 2010. Due to PGA's outstanding gas barrier and biodegradable properties, adding a layer of PGA to a PET bottle means it is possible to improve carbon dioxide retention for carbonated soft drinks and at the same time reduce the amount of PET material required. The resulting resource savings, and the ability to recycle, contributes to the protection of the environment. Kureha is conducting final market analysis procedures together with bottle manufacturers and beverage companies in Japan and overseas. Additionally, Kureha is undergoing evaluation of PGA for surgical suture applications leveraging the material's biodegradability and strength, and has also begun exploring other applications that take advantage of PGA's various properties.

SPECIALTY CHEMICALS DIVISION >> R&D investment = ¥3.0 billion

Kureha is conducting research in cooperation with medical institutions on the anti-cancer agent *Krestin* as an immunotherapy treatment and on the combined effects with new chemotherapeutic agents.

For *Kremezin*, a therapeutic agent for chronic kidney disease, Kureha is conducting research to demonstrate effectiveness on various disorders related to kidney disease, such as arteriosclerosis and other cardio-circulatory diseases, as well its application as an early treatment for diabetic nephropathy. Phase III clinical trials are underway in Europe and North America in collaboration with other companies.

In agrochemicals, Kureha is actively working to expand applications and markets, both domestic and international, for the fungicides *Metconazole* and *Ipconazole*. For Metconazole in particular, Kureha is exploring ways to improve productivity and boost production, as well as reduce costs, to meet robust demand.

SPECIALTY PLASTICS DIVISION >> R&D investment = ¥1.12 billion

Kureha has established a *Krehalon* production facility in Vietnam and provides continued technological support to ensure stable production at this facility and to other domestic and international customers.

For the high gas barrier film for lamination, *Besela*, Kureha is nearing completion of quality improvements to resolve issues identified through market surveys, and is conducting further analysis of market expansion potential in Japan and overseas. Continued efforts are also being made to reduce costs in order to maximize competitiveness.


Research Center


Biomedical Research Laboratories


Polymer Processing & Products Research Labratories

Responsible Care

Kureha was an inaugural member of the Japan Responsible Care Council and stated its commitment to implementing Responsible Care in April, 1995. As a global corporate citizen, Kureha takes its commitments to society very seriously, for example including in areas such as the environment and health and safety.

Responsible Care implementation

Together, all Kureha group companies have established the All Kureha Responsible Care Committee. Through this committee, the company is working to enhance its efforts in various fields, including environmental protection, security and disaster response, labor safety and hygiene, product safety and quality assurance, logistics safety, energy conservation, and community relations.

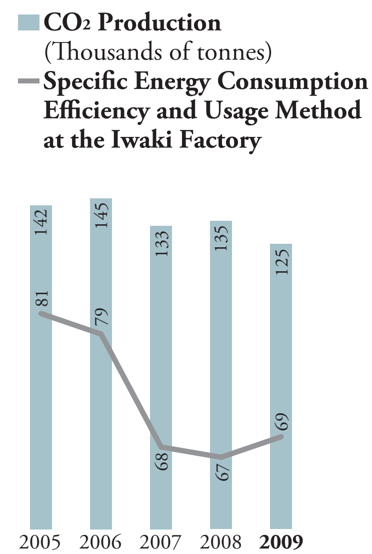
Kureha has obtained ISO 14001, the international standard for environmental management, as well as ISO 9001 for product quality management and OHSAS 18001 for labor safety and hygiene management. The Company is further enhancing efforts aimed at improving responsible care activities through a "*plan, do, check, act*" activity cycle.

Reducing the burden on the environment

Since its establishment, Kureha has developed technologies and products with a view to reducing the burden on the environment. In the case of the Iwaki Factory, Kureha seeks to create a manufacturing facility that minimizes stress on the environment by implementing measures such as air and water pollution prevention, reduction of chemical material and industrial waste, odor control, and adoption of the Energy Consumption Index.

Disaster prevention

Safety and disaster prevention are among the most important responsibilities of a manufacturing factory. In order to respond to the trust the community places in the company, Kureha manages its facilities and operations in strict compliance with the relevant laws. In addition, the company implements a safety and disaster prevention program which includes its own voluntary control criteria, activities and training.



*Data revised from previous year.

Contributing to the community

In addition to Kureha General Hospital being used as a community medical facility in the southern part of Iwaki City, Kureha contributes to the local community in a variety of different ways. These include opening company sports facilities for public use, volunteering for clean up activities, offering science classes at elementary schools and holding community meetings to initiate dialogue with local neighborhood associations.

Kureha General Hospital

Disaster drill

Corporate Governance

Maximizing the corporate value of all group companies is a fundamental policy of Kureha. In order to achieve this goal, Kureha is working to enhance governance and other internal control functions, guarantee business transparency and fair disclosure of information, and to implement Responsible Care policies.

Compliance program framework

Kureha has in place a compliance program framework, based on the Kureha Group Ethical Charter and its Compliance Rules. Kureha's compliance objective is to ensure that all executives and employees act in a manner that is consistent with legal compliance and that also meets the standards of our society. This framework is constantly being improved and reinforced so as to cultivate a compliance-focused corporate culture.

The Compliance Committee, led by the President & Chief Executive Officer (CEO), keeps employees informed of compliance issues through training programs and other activities based on the Compliance Handbook and the Compliance Standards. In addition, direct access to internal and external (lawyers) advisers for inquiries and reporting on compliance issues is maintained so that legal violations, confirmed or suspected, can be detected and deterred at an early stage. In this manner, Kureha is able to ensure that it acts in a manner that is both legally and ethically responsible.

In addition, Kureha provides an in-house training program that recognizes the necessity of a resolute attitude in response all forms of anti-social behavior and maintains close ties with relevant administrative agencies and specialist external organizations with which Kureha is prepared to cooperate on an organizational basis.

Management, execution and decision-making framework

1. Supervisory and executive responsibilities are clearly distinguished to strengthen corporate governance and accelerate managerial decision-making and execution.

   The Board of Directors is limited to a maximum of 10 directors (including 2 external directors). The Board, presided over by the Chairman of the Board of Directors, meets once a month in principle, to make decisions on important administrative matters and pursue supervision.

   The Executive Committee, chaired by the President & CEO and comprised of executive officers appointed by the President & CEO, meets twice a month in principle. The committee considers mid- and long-term management strategy and basic policies that cover all aspects of general management, and passes resolutions and implements these policies.

   To clarify responsibilities for fiscal year results, a one-year term was established for directors and executive officers.

   The Consolidated Executive Committee, chaired by the Chairman of the Board of Directors, serves as a forum to exchange views on basic management policies and other matters relating to the Kureha Group, thereby reinforcing the efforts of the consolidated management team.

2. A total of four corporate auditors, comprised of three full-time auditors (including one external auditor) and 1 part-time auditor, undertake auditing activities. This group works within a framework that allows them to monitor the deliberation processes of board resolutions and reports, as well as have a representative corporate auditor attend and monitor meetings of the Executive Committee. In addition, auditors are able to access documentation including all documents requiring senior approval, results of internal audits, and documentation on the status of customer inquiries.

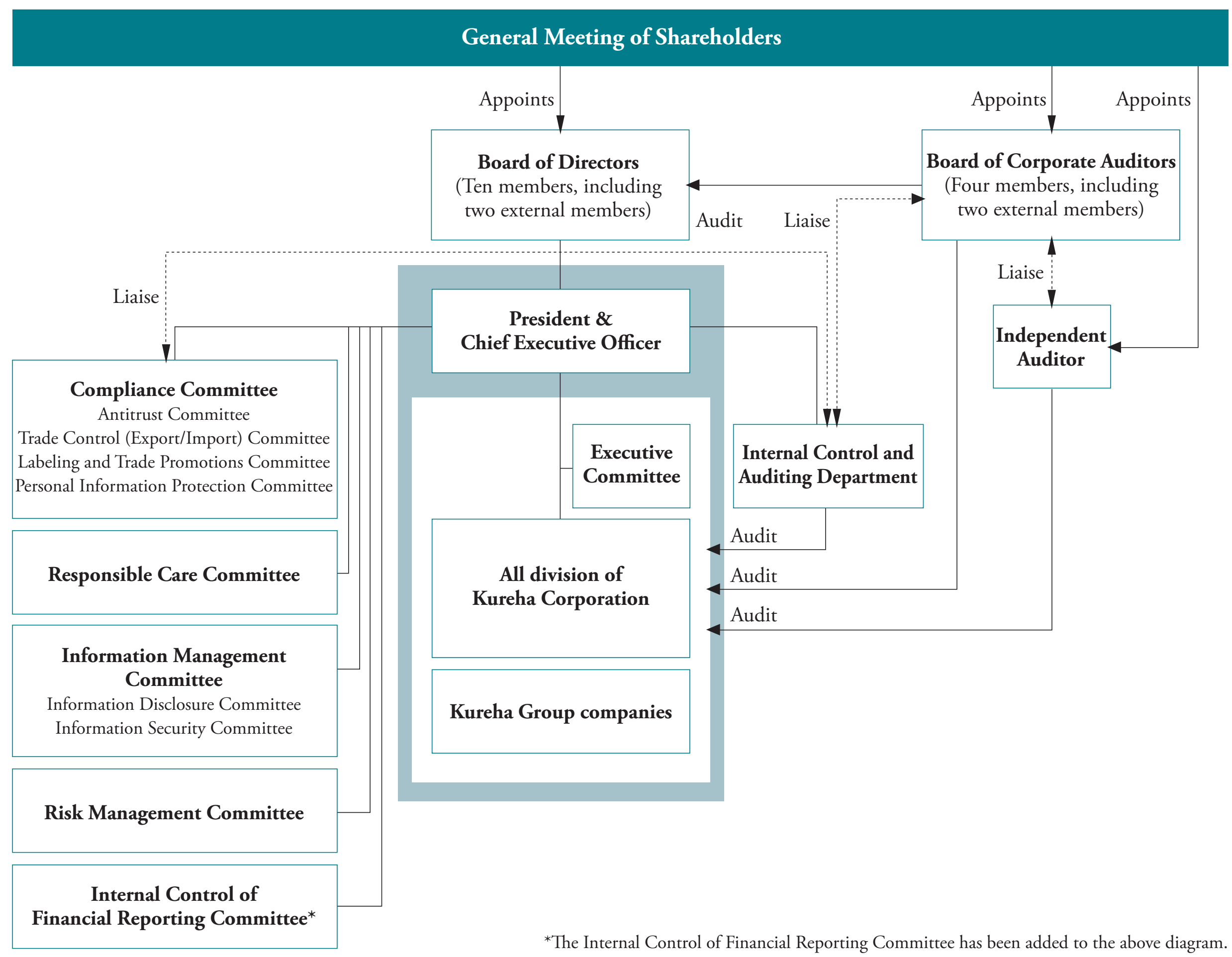
   In addition, an Internal Control and Auditing Department acts independently of other departments and under direct management and supervision of the President & CEO. Based on an annual internal audit plan approved by the Board of Directors, this department assesses the suitability and effectiveness of internal management control systems including compliance and risk management. It then proposes necessary or desired changes and improvements, so as to enhance both management efficiency and public trust in Kureha.

Internal control system

To further strengthen its internal control system, Kureha has established a set of basic policies, committees and internal rules to ensure that it observes laws and regulations and conducts its business operations in an appropriate and fair manner.

Under this system, Kureha publishes Internal Control Reports under the responsibility of the President & CEO. In addition, Kureha has also established a set of Basic Rules for Internal Control of Financial Reporting to ensure the reliability of the financial reports and to guarantee implementation of management's assessment and certified public accountant's auditing of the effectiveness of internal control of financial reports, as stipulated in the Financial Instruments and Exchange Law.

Diagram of Internal Control Systems



*The Internal Control of Financial Reporting Committee has been added to the above diagram.

Risk management system

To enable the Company to recognize and minimize the risks it is exposed to during business activities, Kureha has established a Risk Management Committee. The committee proposes concrete measures to the President & Chief Executive Officer aimed at reducing and avoiding risk and manages the implementation of such measures. In addition, to respond to unforeseen circumstances, a system is in place for the establishment of an emergency response task force, with the objective of prioritizing the safety of personnel, minimizing economic damage, and ensuring the continuation of corporate activities.

Kureha has also established an Information Management Committee to identify a clear set of information management rules and promote procedures for the appropriate control of Company information. Suitable measures are also being taken for the management of information security and disclosure.

To address environmental and safety risks, management procedures for the environment, quality, and labor safety have been established that comply with ISO 14001, ISO 9001, and OHSAS 18001 standards. In addition, Kureha is continuing with ongoing efforts to improve environmental conservation, quality assurance, and occupational health and safety.

Consolidated Five-Year Summary

KUREHA CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2009, 2008, 2007, 2006 and 2005

	Millions of yen					Thousands of U.S. dollars
	2009	2008	2007	2006	2005	**2009**
For the year:						
Net sales:	**¥143,741**	¥149,776	¥146,256	¥135,627	¥130,401	**$1,463,311**
Domestic	**116,182**	116,666	116,503	107,584	104,328	**1,182,755**
Overseas	**27,559**	33,110	29,753	28,043	26,073	**280,556**
Net sales by segment:						
Advanced materials	**32,424**	38,915	35,129	31,578	25,159	**330,082**
Specialty chemicals	**33,898**	32,522	30,543	31,295	31,000	**345,088**
Specialty plastics	**43,538**	48,765	48,399	45,262	50,729	**443,225**
Other operations	**33,881**	29,574	32,185	27,492	23,512	**344,915**
Operating income	**9,456**	12,722	11,841	9,708	10,255	**96,264**
Advanced materials	**678**	4,378	4,259	3,923	3,192	**6,902**
Specialty chemicals	**5,732**	3,482	3,348	3,493	4,051	**58,353**
Specialty plastics	**1,655**	3,358	2,213	607	872	**16,848**
Other operations	**2,104**	1,620	2,289	2,100	2,156	**21,419**
Elimination or corporate	**(713)**	(116)	(268)	(416)	(16)	**(7,258)**
Net income	**3,373**	6,097	5,832	5,172	4,467	**34,338**
Capital expenditure	**17,829**	10,085	10,678	11,984	12,002	**181,503**
Depreciation	**10,304**	10,148	9,115	7,899	7,644	**104,897**
R&D expenses	**6,085**	6,543	6,865	7,406	6,458	**61,946**
Advanced materials	**1,960**	1,578	1,583	1,507	1,379	**19,953**
Specialty chemicals	**2,956**	3,288	3,467	4,134	3,195	**30,093**
Specialty plastics	**1,125**	1,658	1,805	1,749	1,884	**11,453**
Other operations	**45**	20	10	17	0	**458**
Cash flows from operating activities	**11,420**	14,996	13,949	11,308	12,438	**116,258**
Cash flows from investing activities	**(20,518)**	(8,584)	(11,987)	(9,648)	(9,593)	**(208,877)**
Cash flows from financing activities	**10,705**	(4,758)	(4,835)	(1,089)	(4,067)	**108,979**
Year-end:						
Total assets	**¥182,224**	¥187,349	¥196,107	¥185,203	¥172,727	**$1,855,075**
Net assets	**97,075**	104,582	107,349	99,588	93,848	**988,242**
Interest-bearing debt	**44,033**	32,040	32,470	35,383	34,861	**448,264**
	Yen					U.S. dollars
Amounts per share:						
Net income – basic	**¥ 18.75**	¥ 33.39	¥ 31.58	¥ 27.61	¥ 23.41	**$ 0.19**
Net assets	**533.45**	572.24	578.09	535.26	500.56	**5.43**
Cash dividends	**10**	10	10	9	8	**0.10**
	Percent					
Ratios:						
Operating income to net sales	**6.6%**	8.5%	8.1%	7.2%	7.9%	
Net income to net sales	**2.3**	4.1	4.0	3.8	3.4	
Return on equity	**3.4**	5.8	5.7	5.4	4.8	
Return on assets	**4.7**	6.6	6.1	5.1	5.6	
Equity ratio	**52.4**	55.2	54.2	53.1	53.9	

Notes: 1. For convenience only, U.S. dollar amounts have been translated from Japanese yen at the rate of ¥98.23 to US$1, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on March 31, 2009.
2. For amounts per share, see Note 21 of the Notes on Consolidated Financial Statements.

Management Discussion and Analysis

Business environment

The Japanese economy faced difficult challenges during the fiscal year ended March 31, 2009, as the crisis faced by financial institutions in the U.S. moved to a broader tightening of credit. In the third quarter the resulting economic slowdown began to show signs of spreading globally. The real economy deteriorated sharply with the decline in exports and appreciation of the yen, with the impact on employment particularly evident in the manufacturing sector.

In the chemicals industry, the difficult conditions have continued. Although the rise in raw material costs through the second quarter had yet to be fully reflected in product prices, the decline in raw material prices in the third quarter led to pressure for product prices to be lowered. Companies have also been forced to scale back production in the face of a drop in both domestic demand and exports.

Analysis of business performance

Sales for the fiscal year declined ¥6.0 billion from the previous fiscal year to ¥143.7 billion, due to the weak performance of the Advanced Materials and Specialty Plastics divisions. Gross profit declined ¥5.0 billion to ¥38.5 billion, while the gross profit margin fell from 29.1% in the previous fiscal year to 26.8%. This decline can be attributed to changes in accounting method for the valuation of inventories having been adopted in the previous year; decline in the return on investment from a PPS resin joint venture in the U.S.; a decrease in earnings in Europe due to foreign exchange adjustment; and a decline in the gross profit margin for the Other Operations division due to rising material and fuel costs. Aside from these factors, however, there was a further improvement in the gross profit margin on product sales, with rising costs of raw materials for the most part being successfully shifted to product prices. In addition, measures for market price formation reflecting the value of consumer goods, as well as cost reductions, gradually took effect.

Sales and general administrative expenses totaled ¥29.1 billion, down ¥1.8 billion from the previous year. Despite efforts to reduce administrative costs in response to the difficult business conditions, operating income declined ¥3.3 billion from the previous fiscal year to ¥9.5 billion, while the operating income margin fell to 6.6% from 8.5%.

Kureha recorded a non-operating loss of ¥805 million in the fiscal year, with costs having expanded ¥745 million from the previous year, due mainly to interest paid on bonds, bond issuance expenses, and foreign exchange losses.

As a result, recurring income totaled ¥8.7 billion, a decline of ¥4.0 billion from the previous fiscal year, with the recurring margin falling to 6.0% from 8.5% a year earlier. Looking ahead, Kureha will continue to make significant investments in facilities and R&D in line with its proactive investment program, and recognizes that deep cuts in non-essential expenses will be essential to ensuring success of the "Grow Globally" medium-term business plan.

Cash flows

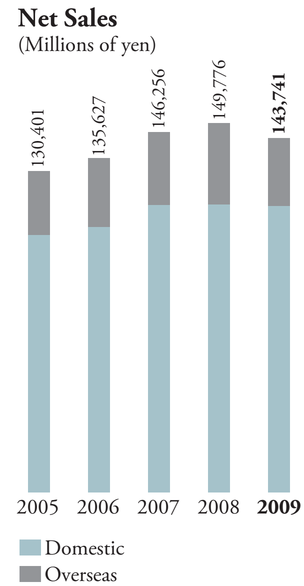
The balance of cash and cash equivalents at the end of the fiscal year was ¥7.3 billion, an increase of ¥1.1 billion.

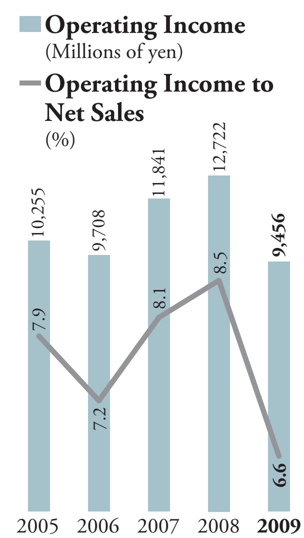
Cash flow from operating activities

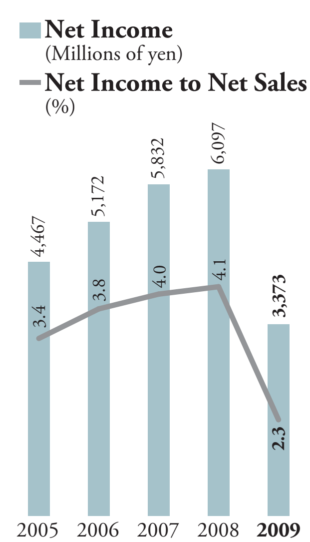
Net cash from operating activities amounted to ¥11.4 billion, a decline of ¥3.6 billion. This was due mainly to a decrease in net income before taxes and other adjustments, and an increase in working capital.

Cash flow from investment activities

Net cash used in investment activities amounted to ¥20.5 billion, an increase of ¥11.9 billion. This was due mainly to an increase in capital expenditure and the lack of revenue from the sale of investment securities that was recorded in the previous fiscal year.





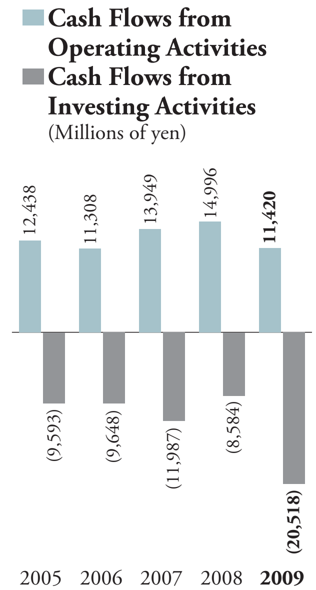


Cash flow from financing activities

Net cash provided by financing activities amounted to ¥10.7 billion, compared to ¥4.7 billion during the previous fiscal year. This was due mainly to an issuance of corporate bonds, an increase in fund procurement over the previous fiscal year, and proceeds arising from investments by minority shareholders for an increased stake in a subsidiary.

During the fiscal year ended March 31, 2009, the Kureha Group allocated funds for capital expenditures to enhance production capacity, overseas investments to expand business operations, and to research and development. Kureha also sought to maximize future cash flow, and continued it policy of allocating funds for shareholder returns focused on capital efficiency.

Going forward, Kureha will continue the financial policies of the fiscal year ended March 31, 2009, and continue efforts to maximize the level of consolidated funds.



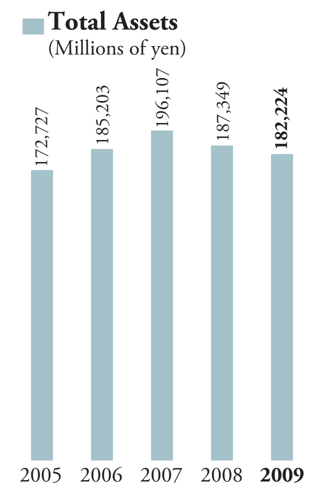
Balance sheet analysis

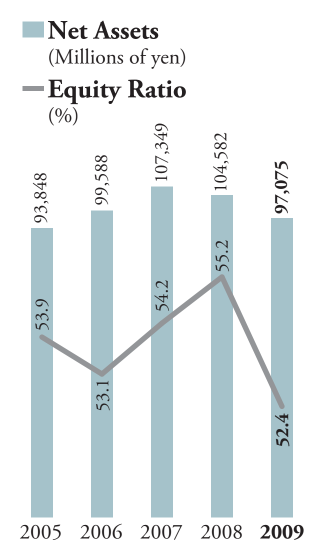
Total assets at the end of the fiscal year ended March 31, 2009 amounted to ¥182.2 billion, a decline of ¥5.1 billion from the previous year. Current assets totaled ¥68.6 million, down ¥894 million from a year earlier, due mainly to a decrease in accounts receivable reflecting the decline in sales, and an increase in inventories. Property and equipment totaled ¥77.4 billion, up ¥5.6 billion from a year earlier, due mainly to a high level of capital expenditure, including in overseas production facilities, which exceeded the increase in depreciation. Investment and other assets totaled ¥36.2 billion, down ¥9.8 billion, due mainly to a substantial decline in the market value of securities investments, and investments in non-consolidated subsidiaries.

Total liabilities at the end of the fiscal year amounted to ¥85.1 billion, an increase of ¥2.4 billion from a year earlier. Interest-bearing debt increased by ¥12.0 billion from a year earlier to ¥44.0 billion, primarily due to increases in corporate bonds and long-term debt, along with a decline in short-term borrowings. Deferred tax liabilities declined due to decreases in accounts payable and mark-to-market valuation for securities investments.

Total net assets for the subject fiscal year amounted to ¥97.1 billion, a decline of ¥7.5 billion from the previous year. This was due mainly to a ¥561 million increase in earned surplus following a dividend payout from retained earnings on net income of ¥3.4 billion, along with declines in unrealized gains on other securities, and translation adjustments.

Excluding external factors such as the economic slowdown, foreign exchange markets and stock prices, changes in total assets were due mainly to increases in capital expenditure overseas, and moves to develop new businesses, including external fund procurement.





Overview of capital expenditures

Kureha's core businesses are advanced materials, packaging materials, pharmaceuticals and agrochemicals, and environment-related businesses, and as such the Company actively invests in these areas. Total capital expenditures during the fiscal year ended March 31, 2009 amounted to ¥17.8 billion.

Capital expenditure by business division:

The Advanced Materials Division invested ¥10.2 billion, mainly for carbon product manufacturing facilities (Kureha and Kureha Chemicals Shanghai Co., Ltd.), and PGA (polyglycolic acid) resin production facilities (Kureha PGA LLC).

The Specialty Chemicals Division invested ¥3.9 billion, mainly on pharmaceutical production facilities, and production facilities for chlorine and caustic soda.

The Specialty Plastics Division invested ¥3.0 billion, primarily for manufacturing facilities for food packaging materials (Kureha Plastics Co., Ltd. and Krehalon Industry B.V.).

The Other Operations Division invested ¥772 million, mainly on industrial waste processing facilities (Kureha Ecology Management Co., Ltd.).

In addition, as a joint initiative, the Advanced Materials, Specialty Chemicals, and Specialty Plastics divisions completed further investments in private power plant facilities.

Funds required for these investments were procured through unsecured bonds (¥10.0 billion) issued in June 2008, self-funding, and loans.

Business risks

Factors with a potential to impact on the Kureha Group's business performance, share price, and financial position, include the following. Forward-looking factors included in the following are as of the date of publication of the full year earnings report.

Factors affecting business results

Kureha's business extends to a wide range of fields. The Advanced Materials Division focuses on products including PPS resin, PVDF resin, and carbon products; the Specialty Chemicals Division on products including industrial chemicals, pharmaceuticals, and agrochemicals; the Specialty Plastics Division on products including food packaging materials and household products; and the Other Operations Division on environment-related businesses, and businesses for the construction and maintenance of facilities connected with these businesses, as well as logistics. Geographically, the Group has business operations in Japan, as well as Europe, North America, and China.

As a consequence, Kureha is exposed to a wide range of business risks, including domestic and international economic trends; shifts in market prices for products; fluctuations in prices for naphtha, coal and other raw materials; unforeseen quality issues; drug price revisions under Japan's medical insurance system; country risks for overseas businesses; and exchange rate fluctuations. Kureha works to mitigate these risks by diversifying its businesses, promoting local production, and other strategies.

As of March 31, 2009, Kureha had a total of ¥18.7 billion (approximately 10.3% of consolidated net assets) in investments in securities for the purposes of long-term holdings. A major change in the market price of these shares, or the financial position of the issuing companies, could have an impact on Kureha's business results and financial position.

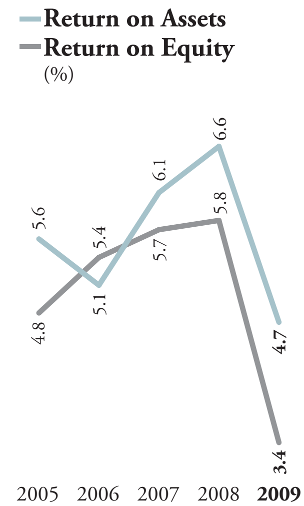
Kureha's core business activity is the production of chemical products. The Company fully recognizes the risks involved with manufactured products and the manufacturing process, and is committed to the continued implementation of Responsible Care (voluntary management activities related to environmental protection, ensuring safety, disaster prevention, and other responsibilities). Kureha is particularly aware of the risks inherent in the concentration of key product manufacturing operations at the Iwaki Factory, and consistently pursues measures for environmental protection and workplace safety at that facility.

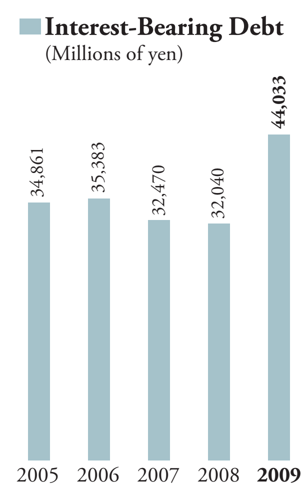
Other risks

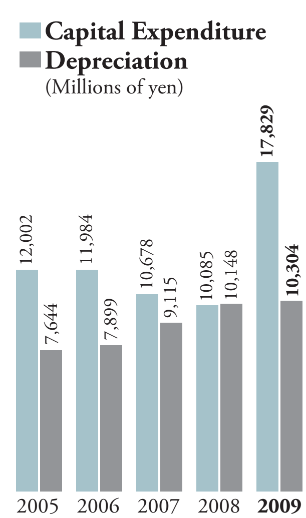
In February 2003, the Japan Fair Trade Commission conducted an on-site investigation of Kureha's plastic additives business, based on suspected violation of the Anti-Monopoly Law. In July 2005, the Commission ordered Kureha Corporation to pay approximately ¥270 million in fines. Kureha initiated appeal procedures in response, and the case is currently pending.

A U.S. subsidiary of Kureha Corporation for this business was also named in four civil suits. Settlements were reached in all of these cases during fiscal 2007, resolving all civil legal proceedings filed in the United States.

All operations in the subject business were transferred to Rohm and Haas Company in January 2003.







Consolidated Balance Sheets

Kureha Corporation and its Consolidated Subsidiaries
As of March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
ASSETS			
Current assets:			
Cash and time deposits (Note 5)	¥ 7,265	¥ 6,120	$ 73,959
Trade notes and accounts receivable	30,137	35,120	306,800
Marketable securities (Note 7)	6	6	61
Inventories (Note 6)	25,741	22,442	262,048
Deferred tax assets (Note 12)	2,415	2,785	24,585
Others	3,183	3,202	32,404
Less: Allowance for doubtful accounts	(154)	(188)	(1,568)
Total current assets	68,593	69,488	698,290
Property and equipment, net (Note 9):			
Buildings and structures	26,930	26,269	274,152
Machinery, equipment and vehicles	25,113	25,310	255,655
Tools, furniture and fixtures	—	2,087	—
Land	13,237	13,221	134,755
Construction in progress	10,060	4,876	102,413
Others	2,023	—	20,595
Total property and equipment	77,364	71,763	787,580
Investment and other assets:			
Investments in securities (Notes 7 & 9)	26,448	37,309	269,246
Long-term receivables	2,092	2,045	21,297
Deferred tax assets (Note 12)	1,543	1,634	15,708
Others	6,678	5,685	67,983
Less: Allowance for doubtful accounts	(495)	(575)	(5,039)
Total investments and other assets	36,268	46,098	369,215
Total assets	¥182,224	¥187,349	$1,855,075

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
LIABILITIES AND NET ASSETS			
Current liabilities:			
Trade notes and accounts payable (Note 9)	¥ 18,229	¥ 20,601	$ 185,575
Short-term loans including current portion of long-term debt (Notes 8 & 9)	17,353	18,542	176,657
Other payables	5,512	5,482	56,113
Accrued income taxes (Note 12)	1,216	2,160	12,379
Accrued expenses	5,047	5,146	51,379
Accrued bonuses	2,288	2,128	23,292
Others	2,790	4,216	28,403
Total current liabilities	52,436	58,275	533,808
Long-term liabilities:			
Long-term debt (Notes 8 & 9)	26,680	13,498	271,607
Deferred tax liabilities (Note 12)	2,676	7,000	27,242
Reserve for employees' retirement benefits (Note 11)	2,048	2,417	20,849
Retirement allowance for directors and corporate auditors	433	452	4,408
Negative goodwill	—	310	—
Others	876	815	8,918
Total long-term liabilities	32,714	24,492	333,035
Total liabilities	85,150	82,767	866,843
Commitments and contingent liabilities (Note 13)			
Net assets:			
Shareholders' equity (Note 14):			
Capital, non par value			
Authorized: 2009 and 2008 – 600,000,000 shares Issued: 181,683,909 shares in 2009 and 183,683,909 shares in 2008	12,460	12,460	126,845
Capital surplus	10,014	10,014	101,944
Earned surplus	72,780	72,218	740,914
Less: Treasury stock, at cost	(1,265)	(1,553)	(12,878)
Total shareholders' equity	93,988	93,139	956,816
Valuation and translation adjustments:			
Unrealized gain on other securities (Note 7)	3,757	10,225	38,247
Deferred gains or losses on hedges	(5)	(6)	(51)
Translation adjustments	(2,165)	29	(22,040)
Total valuation and translation adjustments	1,587	10,248	16,156
Stock subscription rights	47	20	478
Minority interests	1,452	1,176	14,782
Total net assets	97,075	104,582	988,242
Total liabilities and net assets	¥182,224	¥187,349	$1,855,075

Consolidated Statements of Income

Kureha Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Net sales	¥143,741	¥149,776	$1,463,311
Cost of sales	105,194	106,195	1,070,895
Gross profit	38,548	43,580	392,426
Selling, general and administrative expenses (Note 17)	29,091	30,858	296,152
Operating income	9,456	12,722	96,264
Other income (expenses):			
Interest and dividend income	748	738	7,615
Interest expenses	(733)	(621)	(7,462)
Gain on sales of property and equipment (Note 18)	76	25	774
Gain on sales of investments in securities (Note 7)	13	1,554	132
Loss on disposal of property and equipment (Note 18)	(660)	(1,367)	(6,719)
Loss on impairment of property and equipment (Note 19)	(479)	(302)	(4,876)
Loss on valuation of investments in securities	(627)	—	(6,383)
Loss on voluntary recall	—	(1,038)	—
Loss on valuation of inventories	(870)	(498)	(8,857)
Other, net	(914)	(78)	(9,305)
Other expenses – net	(3,446)	(1,587)	(35,081)
Income before income taxes and minority interests	6,010	11,135	61,183
Income taxes (Note 12):			
Current	2,353	3,823	23,954
Deferred	366	1,297	3,726
Total income taxes	2,720	5,120	27,690
Minority interests	(83)	(82)	(845)
Net income	¥ 3,373	¥ 6,097	$ 34,338

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Kureha Corporation and its Consolidated Subsidiaries
For the year ended March 31, 2009

		Millions of yen				
		Shareholders' equity				
	Number of common stock	Capital	Capital surplus	Earned surplus	Treasury stock, at cost	Total shareholders' equity
BALANCE-MARCH 31, 2008	183,683,909	¥12,460	¥10,014	¥72,218	¥(1,553)	¥93,139
Increase resulting from accounting changes of foreign subsidiaries				6		6
Dividends from surplus				(1,804)		(1,804)
Net income				3,373		3,373
Acquisition of treasury stock					(776)	(776)
Disposal of treasury stock				(8)	60	52
Cancellation of treasury stock	(2,000,000)			(1,004)	1,004	—
Decrease resulting from the change in scope of consolidation				—		—
Contribution to employees' welfare fund				(2)		(2)
Net changes of items other than shareholders' equity	—	—	—			
BALANCE-MARCH 31, 2009	181,683,909	¥12,460	¥10,014	¥72,780	¥(1,265)	¥93,998

	Valuation and translation adjustments						
	Unrealized gain on other securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments	Stock subscription rights	Minority interests	Total net assets
BALANCE-MARCH 31, 2008	¥10,225	¥(6)	¥ 29	¥10,248	¥20	¥1,176	¥104,582
Increase resulting from accounting changes of foreign subsidiaries							6
Dividends from surplus							(1,804)
Net income							3,373
Acquisition of treasury stock							(776)
Disposal of treasury stock							52
Cancellation of treasury stock							—
Decrease resulting from the change in scope of consolidation							—
Contribution to employees' welfare fund							(2)
Net changes of items other than shareholders' equity	(6,468)	1	(2,195)	(8,661)	28	277	(8,357)
BALANCE-MARCH 31, 2009	¥ 3,756	¥(5)	¥(2,165)	¥ 1,586	¥47	¥1,452	¥ 97,075

	Thousands of U.S. dollars (Note 2)				
	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock, at cost	Total shareholders' equity
BALANCE-MARCH 31, 2008	$126,845	$101,944	$735,193	$(15,810)	$948,173
Increase resulting from accounting changes of foreign subsidiaries			61		61
Dividends from surplus			(18,365)		(18,365)
Net income			34,338		34,338
Acquisition of treasury stock				(7,900)	(7,900)
Disposal of treasury stock			(81)	611	529
Cancellation of treasury stock			(10,221)	10,221	—
Decrease resulting from the change in scope of consolidation			—		—
Contribution to employees' welfare fund			(20)		(20)
Net changes of items other than shareholders' equity	—	—			
BALANCE-MARCH 31, 2009	$126,845	$101,944	$740,914	$(12,878)	$956,917

	Valuation and translation adjustments						
	Unrealized gain on other securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustments	Stock subscription rights	Minority interests	Total net assets
BALANCE-MARCH 31, 2008	$104,092	$(61)	$ 295	$104,327	$204	$11,972	$1,064,665
Increase resulting from accounting changes of foreign subsidiaries							61
Dividends from surplus							(18,365)
Net income							34,338
Acquisition of treasury stock							(7,900)
Disposal of treasury stock							529
Cancellation of treasury stock							—
Decrease resulting from the change in scope of consolidation							—
Contribution to employees' welfare fund							(20)
Net changes of items other than shareholders' equity	(65,845)	10	(22,346)	(88,171)	285	2,820	(85,076)
BALANCE-MARCH 31, 2009	$ 38,237	$(51)	$(22,040)	$ 16,146	$478	$14,782	$ 988,242

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Kureha Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 6,010	¥11,135	$ 61,183
Adjustments for:			
Depreciation	10,304	10,148	104,897
Loss on impairment	479	302	4,876
Amortization of negative goodwill	(86)	(202)	(875)
Increase (decrease) in allowance for doubtful accounts	(42)	134	(428)
Decrease in reserve for employees' retirement benefits	(249)	(266)	(2,535)
Decrease in retirement allowance for directors and corporate auditors	(19)	(380)	(193)
Increase in prepaid pension expense	(474)	(343)	(4,825)
Interest and dividend income	(748)	(738)	(7,615)
Interest expenses	733	621	7,462
Loss on sales of property and equipment	584	1,341	5,945
Gain on sales of marketable securities	(13)	(1,513)	(132)
Decrease in trade notes and accounts receivable	4,207	3,391	42,828
Increase in other inventories	(3,906)	(1,523)	(39,764)
Decrease in other current assets	780	366	7,941
Decrease in trade notes and accounts payable	(814)	(2,959)	(8,287)
Increase (decrease) in other liabilities	(1,513)	729	(15,403)
Other, net	(237)	(1,494)	(2,413)
Subtotal	14,995	18,749	152,652
Dividends and interest received	748	1,054	7,615
Interest paid	(663)	(624)	(6,749)
Income taxes paid	(3,660)	(4,183)	(37,259)
Net cash provided by operating activities	11,420	14,996	116,258
Cash flows from investing activities:			
Payments for purchases of tangible and intangible fixed assets	(17,508)	(9,258)	(178,235)
Payments for removal of tangible fixed assets	(185)	(769)	(1,883)
Proceeds from sales of tangible and intangible fixed assets	190	192	1,934
Purchase of investment securities	(737)	(1,438)	(7,503)
Payment for investment in interest	(615)	(293)	(6,261)
Proceeds from sales of investment securities	46	3,050	468
Issuance of loans receivable	(571)	(320)	(5,813)
Collection of loans receivable	121	65	1,232
Purchase of shares in subsidiaries	(208)	(—)	(2,117)
Payment for business transfer	(598)	(—)	(6,088)
Other, net	(449)	(94)	(4,571)
Net cash used in investing activities	(20,518)	(8,584)	(208,877)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans	6	(2,091)	61
Proceeds from long-term debt	7,212	6,861	73,420
Repayments of long-term debt	(4,524)	(5,884)	(46,055)
Payments for purchases of treasury stock	(776)	(1,685)	(7,900)
Proceeds from sales of treasury stock	60	2	611
Dividends paid	(1,804)	(1,927)	(18,365)
Dividends paid to minority shareholders	(35)	(34)	(356)
Proceeds from issuance of bonds	9,942	—	101,211
Payment from minority shareholders	716	—	7,289
Other, net	(92)	—	(937)
Net cash provided by (used in) financing activities	10,705	(4,758)	108,979
Effect of exchange rate changes on cash and cash equivalents	(462)	9	(4,703)
Net increase in cash and cash equivalents	1,144	1,841	11,646
Cash and cash equivalents at beginning of year	6,120	4,279	62,303
Cash and cash equivalents at end of year (Note 5)	¥ 7,265	¥ 6,120	$ 73,959

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Kureha Corporation and its Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Kureha Corporation (the “Company”) and its subsidiaries (collectively the “Group”) in accordance with the provisions set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law (formerly, the Securities and Exchange Law), and in conformity with accounting principles generally accepted in Japan, which are different, in certain respects, from the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the Company’s consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

2. U.S. Dollar Amounts

The accounts of consolidated financial statements presented herein are originally expressed in Japanese yen. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto have been translated from Japanese yen into U.S. dollars on the basis of ¥98.23 to U.S. $1, the rate of exchange prevailing at March 31, 2009. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.

3. Principles of Consolidation

(1) Scope of consolidation

The Company consolidated 34 (35 in 2008) subsidiaries by the full consolidation method and an affiliate (one in 2008) by the equity method as at March 31, 2009 and 2008. The accounts of a subsidiary and other affiliates were not consolidated, as they would not have a material effect on the accompanying consolidated financial statements.

(2) Fiscal terms of consolidated subsidiaries

The fiscal terms of 11 consolidated subsidiaries close their accounts at December 31. In preparing the consolidated financial statements, those accounts at December 31, 2009 are used, but major transactions which were executed during the three months between December 31 and March 31 are adjusted as necessary for consolidation.

(3) Valuation of assets and liabilities of consolidated subsidiaries

The Company adopted "full fair value method" so that the full portion of the assets and liabilities of the consolidated subsidiaries was measured at their fair value at the time of acquisition of the control.

(4) Goodwill on consolidation

In preparing the consolidated financial statements, positive or negative difference between the cost of investment and the amount of the underlying equity in net assets of the consolidated subsidiary was deferred and amortized over an estimated useful period or 5 years on a straight-line basis.

(5) Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements

On May 17, 2006, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Practical Issue Task Force (PITH) No.18, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements”. The Group adopted this accounting standard and made necessary adjustments for consolidation effective the year ended March 31, 2009. The effect of this change on net income for the year ended March 31, 2009 was immaterial and also the effect of the change on segments was omitted in the segment information since it was immaterial.

4. Summary of Significant Accounting Policies

(1) Securities

Securities included in marketable securities and investments in securities consisted of investments in unconsolidated subsidiaries and affiliate and other securities and are stated as follows:

Investments in unconsolidated subsidiaries and affiliates are stated at acquisition cost.

Other securities with market quotations are stated at the average market price during a month before the balance sheet date. Valuation difference on these securities is reported at net of taxes as a separate component of net assets. The cost of securities sold is determined based on the moving average cost at the time of sale.

Other securities without market quotations are stated at cost by the moving average method.

(2) Inventories

Inventories are stated at cost in principle determined by the gross average method. Effective the year ended March 31, 2009, the Group adopted the new accounting standard, “Accounting Standard for Measurement of Inventories” (Statement No. 9 issued by the ASBJ on July 5, 2006). The standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less incremental estimated manufacturing costs and estimated direct selling expenses.

As a result, gross profit, operating income and income before income taxes and minority interests decreases by ¥1,253 million ($12,756 thousand), ¥1,253 million ($12,756 thousand) and ¥1,985 million ($20,208 thousand), respectively, compared with those amounts that would have been under the previous method.

(3) Depreciation and amortization of fixed assets

Property and equipment except for leased assets

Property and equipment are principally stated at cost. Depreciation except for buildings is computed in accordance with the declining balance method based on the useful lives and residual value prescribed by the Japanese tax laws. The depreciation of buildings is computed on the straight-line method. Accumulated depreciation which were directly deducted from property and equipment as at March 31, 2009 and 2008 were ¥157,052 million ($1,598,819 thousand) and ¥153,468 million, respectively.

The useful lives of major property, plant and equipment are summarized as follows:

Buildings and structures	10 to 50 years
Machinery, equipment and vehicles	7 to 15 years
Tools, furniture and fixtures	4 to 10 years

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

Intangible fixed assets except for leased assets

Intangible fixed assets except for software are amortized by the straight-line method based on the useful lives prescribed by the Japanese tax laws.

Software for in-house use is amortized by the straight-line method based on the estimated useful lives (5 years).

Leased assets

Leased assets under finance lease arrangements which do not transfer ownership of the leased assets to the lessee are depreciated by the straight-line method over respective lease periods without salvage value.

(4) Accounting for impairment of fixed assets

In accordance with the accounting standard for impairment of fixed assets, the Company and its consolidated subsidiaries periodically review their fixed assets for impairment by grouping the assets in income generating units whenever there is any indication of a significant decline in the fair value against its book value based on an independent appraisal, and when the existence of any impairment for the group of the assets is identified, an impairment loss will be recognized and such amount is directly deducted from the related assets.

(5) Allowance for doubtful accounts

Allowance for doubtful accounts of general receivables was established to provide for future losses, which are estimated based on the past credit loss experience.

In addition, uncollectible amount is estimated individually for doubtful receivables.

(6) Reserve for employees' retirement benefits

The reserve for employees' retirement benefits is recorded based on the estimated present value of projected benefit obligations in excess of the fair value of the plan assets at the end of the fiscal year. However, certain domestic consolidated subsidiaries calculate their retirement benefit obligations using the liability which would be paid if all the employees voluntarily retired at each consolidated balance sheet date or liability reserve for pension financing calculation purpose.

The unrecognized transition amount which arose from adopting a new standard has been fully amortized when incurred. Past service cost is fully amortized when incurred. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized, on a straight-line basis over certain periods within the employees' average remaining service years.

(7) Retirement allowance for directors and corporate auditors

The retirement allowance for directors and statutory auditors is recorded based on the amount that would be required in accordance with the internal rule at the balance sheet date to provide for the payment for the retirement benefits.

(8) Treasury stock

Treasury stocks owned by the Group are recorded at acquisition cost as a component under the shareholders' equity. The numbers of treasury stocks held by the Group as at March 31, 2009 and 2008 were 2,520,011 and 3,012,449 common shares, respectively.

(9) Leases
On March 30, 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the accounting standard for lease transactions issued on June 17, 1993.

Under the previous accounting standard, finance leases that are deemed to transfer ownership of the leased assets to the lessee were to be capitalized. However, other finance leases which do not transfer ownership of the leased assets to the lessee were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize leased assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits finance leases which commenced prior to April 1, 2008, and do not transfer ownership of the leased assets to the lessee to be accounted for as operating lease transactions. The Group adopted the revised accounting standard effective April 1, 2008 and all finance leases which commenced on and after that date are capitalized as if those leased assets were acquired in the ordinary buy or sell transactions. Finance leases which commenced prior to April 1, 2008 and do not transfer ownership of the leased assets to the lessee are continued to be accounted for as operating lease transactions as permitted by the revised accounting standard.

As a result of this change, leased assets under finance lease arrangements are recorded in "Others" under "Property and equipment, net" in an amount of ¥195 million ($1,985 thousand) and in "Others" under "Investment and other assets" in an amount of ¥5 million ($51 thousand) in the consolidated balance sheet as of March 31, 2009. There was no effect of this accounting change on net income for the year ended March 31, 2009.

(10) Consumption taxes
The consumption taxes withheld and consumption taxes paid are excluded from revenues and expenses in the accompanying consolidated financial statements. The net balance of the consumption taxes withheld and consumption taxes paid is included in current liabilities of the consolidated balance sheet as of the end of the fiscal year.

(11) Appropriations of retained earnings
Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

(12) Cash and cash equivalents
Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hands, bank deposits payable on demand and short-term investments due within three months from acquisition with minor value fluctuation risk.

(13) Income taxes
The Group is generally subject to national corporate income tax, local inhabitant tax and enterprise tax which are principally based on income.

Deferred income taxes are determined using the asset and liability approach, whereby deferred tax assets and liabilities are recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the financial statements.

5. Cash and Cash Equivalents
The following table represents a reconciliation of cash and cash equivalents at March 31, 2009 and 2008:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash and time deposits	¥7,265	¥6,120	$73,959
Cash and cash equivalents	¥7,265	¥6,120	$73,959

Non-cash transactions which do not require the use of cash or cash equivalents:
Major components of assets and liabilities of Nihon Extron Co. Ltd. (Nihon Extron), which was newly consolidated as a subsidiary due to the acquisition of its shares, as of September 30, 2007, acquisition cost of the shares and net proceeds are as follows:

At September 30, 2007	Millions of yen	Thousands of U.S. dollars
Current assets	¥1,084	$11,035
Non-current assets	689	7,014
Current liabilities	(637)	(6,485)
Non-current liabilities	(326)	(3,319)
Goodwill	157	1,598
Minority interest	(203)	(2,067)
Interest owned by the Company when acquired	(510)	(5,192)
Acquisition cost of the shares in Nihon Extron	255	2,596
Cash and cash equivalents of Nihon Extron	363	3,695
Net proceeds from acquisition of Nihon Extron	¥ 108	$ 1,099

6. Inventories

Inventories at March 31, 2009 consisted of the following:

	Millions of yen	Thousands of U.S. dollars
Finished products	¥17,773	$180,933
Work-in-process	2,005	20,411
Raw materials and supplies	5,962	60,694
Total	¥25,741	$262,048

7. Securities

Investments in unconsolidated subsidiaries and affiliates amount to ¥3,857 million ($39,265 thousand) and ¥3,135 million at March 31, 2009 and 2008, respectively.

The acquisition cost and book value of other securities whose fair value were available as at March 31, 2009 were as follows:

			Millions of yen
	Acquisition cost	Book value	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	**¥5,830**	**¥12,978**	**¥7,148**
Sub-total	**5,830**	**12,978**	**7,148**
Securities with unrealized losses:			
Equity securities	**3,381**	**2,633**	**(748)**
Sub-total	**3,381**	**2,633**	**(748)**
Total	**¥9,211**	**¥15,611**	**¥6,400**

	Thousands of U.S. dollars		
	Acquisition cost	Book value	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	**$59,351**	**$132,118**	**$72,768**
Sub-total	**59,351**	**132,118**	**72,768**
Securities with unrealized losses:			
Equity securities	**34,419**	**26,804**	**(7,615)**
Sub-total	**34,419**	**26,804**	**(7,615)**
Total	**$93,770**	**$158,923**	**$65,153**

The acquisition cost and book value of other securities whose fair value were available as at March 31, 2008 were as follows:

	Millions of yen		
	Acquisition cost	Book value	Unrealized gains (losses)
Securities with unrealized gains:			
Equity securities	¥6,491	¥24,388	¥17,897
Sub-total	6,491	24,388	17,897
Securities with unrealized losses:			
Equity securities	2,923	2,375	(548)
Sub-total	2,923	2,375	(548)
Total	¥9,414	¥26,763	¥17,349

Proceeds from sales of other securities and related gross realized gains and losses on those sales for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Proceeds from sales	**¥35**	¥2,054	**$356**
Gross realized gains	**13**	1,554	**132**
Gross realized losses	**—**	22	**—**

Major securities whose fair value is not readily determinable at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Available-for-sale securities:			
Unlisted equity securities	**¥2,406**	¥2,117	**$24,494**
Preferred investment securities	**—**	—	**—**
Discounted bank debentures	**6**	6	**61**

The details of maturity dates of other securities as at March 31, 2009 were as follows:

	Millions of yen			
	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Discounted bank debentures	**¥6**	**¥—**	**¥—**	**¥—**

	Thousands of U.S. dollars			
	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due after 10 years
Discounted bank debentures	**$61**	**$—**	**$—**	**$—**

8. Short-term Loans, Long-term Debt and Lease Obligations

Short-term loans and long-term debt as at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Short-term loans with average interest rate of 1.07%	¥13,482	¥14,112	$137,249
Current portion of long-term debt with average interest rate of 1.34%	3,871	4,430	39,408
Total	¥17,385	¥18,542	$176,983
Unsecured bonds maturing on March 8, 2013 with the interest rate of 1.60%	¥ 5,000	¥ 5,000	$ 50,901
Unsecured bonds maturing on June 17, 2015 with the interest rate of 2.06%	10,000	—	101,802
Long-term debt maturing in 2010 through 2033 with average interest rate of 1.34%	11,680	8,498	118,905
Total	¥26,783	¥13,498	$272,656

The aggregate annual maturities of long-term debt at March 31, 2008 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2011	¥3,697	$37,636
2012	3,240	32,984
2013	2,295	23,364
2014	1,719	17,500

The aggregate annual maturities of lease obligations at March 31, 2009 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2010	¥ 32	$ 326
2011	29	295
2012	29	295
2013	27	275
2014 and thereafter	18	183

Average interest rate on lease obligations is omitted since above lease obligations recorded in the consolidated balance sheet at March 31, 2009 include interest equivalent amounts.

9. Assets Pledged as Collateral

The following assets of the Group are pledged as collateral for trade notes and accounts payable, short-term loans and long-term debts in the amount of ¥4,033 million (US$41,057 thousand) and ¥3,655 million as at March 31, 2009 and 2008, respectively:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Buildings and structures	**¥15,322**	¥15,110	**$155,981**
Machinery, equipment and vehicles	**13,197**	13,877	**134,348**
Land	**5,363**	5,163	**54,596**
Investments in securities	**5,132**	3,711	**52,245**
Total	**¥39,014**	¥37,861	**$397,170**

10. Loan Commitment Agreements

The Company and its consolidated subsidiaries entered into loan commitment agreements and overdraft agreements with the financial institutions. The outstanding balance as at March 31, 2009 and 2008 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Total commitment available	¥9,150	¥7,150	$93,149
Amount utilized	—	2,000	—
Balance available	¥9,150	¥5,150	$93,149

11. Reserve for Employees' Retirement Benefits

The Company and its consolidated subsidiaries have principally tax qualified pension plans and lump-sum retirement benefit plans. In addition, in some cases, merit allowances which are not included in the actuarial calculation of projected benefit obligations may be paid upon the retirement of certain employees.

The reserve for employees' retirement benefits as at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Projected benefit obligations	¥(24,459)	¥(26,006)	$(248,997)
Plan assets	18,615	24,199	189,504
Funded status	(5,844)	1,807	(59,493)
Unrecognized actuarial differences	6,234	1,353	63,463
Sub-total	390	(454)	3,970
Prepaid pension cost	2,437	1,963	24,809
Reserve for retirement benefits	¥ (2,048)	¥ (2,417)	$ (20,849)

Net pension expenses related to the retirement benefits for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Service cost	¥1,022	¥1,061	$10,404
Interest cost	657	701	6,688
Expected return on plan assets	(619)	(735)	(6,302)
Amortization of actuarial differences	192	(52)	1,955
Amortization of past service liabilities	(512)	—	(5,212)
Net pension expense	¥ 740	¥ 975	$ 7,533

Note: In addition to above expenses, the Company and its domestic consolidated subsidiaries recorded merit allowances amounting to ¥77 million ($784 thousand) and ¥173 million for the years ended March 31, 2009 and 2008, respectively.

Assumptions used in calculation of the above information for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Discount rate	2.5%	2.5%
Expected rate of return on plan assets	2.5%	2.5%
Method of attributing the projected benefits to periods of services	Straight-line basis	Straight-line basis
Amortization period of past service liabilities	Fully amortized when incurred	Fully amortized when incurred
Amortization period of actuarial differences	*	*
Amortization period of transitional differences resulting from a change in accounting standards	Fully amortized when incurred	Fully amortized when incurred

* The actuarial differences are amortized on a straight-line method over certain years within the employees' average remaining service years when incurred and charged to income from the subsequent year.

12. Income Taxes

The Group is subject to certain different income taxes in Japan, which in the aggregate resulted in a normal statutory income tax rate of approximately 40.44%.

The significant components of deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Unrealized gains on fixed assets	¥ 1,083	¥ 973	$ 11,025
Reserve for employees' retirement benefits	782	878	7,961
Retirement allowance for directors and corporate auditors	176	185	1,792
Accrued bonuses	899	819	9,152
Research and development costs	362	377	3,685
Loss on disposal or sales of fixed assets	128	243	1,303
Accrued expenses	756	805	7,696
Write-down of inventories	206	139	2,097
Accrued enterprise tax and business place tax	154	225	1,568
Loss on impairment	443	228	4,510
Write-down of real estates for sale	—	207	—
Tax loss carried forward	578	467	5,884
Golf club membership	—	132	—
Allowance for doubtful accounts	124	129	1,262
Long-term payables	—	97	—
Others	360	116	3,665
Sub-total	6,050	6,020	61,590
Valuation allowance	(1,258)	(734)	(12,807)
Total deferred tax assets	4,792	5,286	48,783
Deferred tax liabilities:			
Net unrealized gains on other securities	(2,587)	(7,018)	(26,336)
Prepaid pension expenses	(817)	(665)	(8,317)
Retained surplus at subsidiaries	—	(81)	—
Others	(108)	(103)	(1,099)
Total deferred tax liabilities	(3,512)	(7,867)	(35,753)
Net deferred tax liabilities	¥ 1,281	¥ (2,581)	$ 13,041

Reconciliations of the difference between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Statutory income tax rate:	40.44%	40.44%
Expense not deductible for tax purpose	5.45	2.33
Non-taxable revenue	(5.42)	(3.52)
Tax credit for research and development costs	(3.04)	(2.08)
Reversal of deferred tax assets related to sales of investment in subsidiaries	—	10.13
Valuation allowance	8.87	—
Others	(1.05)	(1.32)
Effective income tax rate	45.25%	45.98%

13. Commitments and Contingent Liabilities

The Group guarantees employees' bank loans to the amounts of ¥397 million ($4,042 thousand) and ¥455 million as at March 31, 2009 and 2008, respectively.

14. Shareholders' Equity

The new Corporation Law of Japan (the "Law"), which superseded most of the provisions of the Commercial Code came into effect on May 1, 2006. The Law provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and earned surplus (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and legal reserve equals 25% of the stated capital. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met. The above mentioned legal reserve is included in earned surplus in the accompanying consolidated balance sheets.

15. Stock Option Plan

The Company issued stock subscription rights (stock options) in accordance with the provisions of the Article No. 236, 238 and 240 of the Corporation Law based on the resolution of the general shareholders' meeting and the Board of Directors' meeting held on June 27, 2007 as follows:

(1) Accounting for stock option related expenses
Share-based compensation included in selling, general and administrative expenses: ¥27 million ($275 thousand)

(2) Details of stock options, volume and activity
a. Detail of stock options

	1st Stock Option Plan
Persons granted	8 directors of the Company
Number of stock options by type of shares	Common stock 47,500 shares
Grant date	July 18, 2007
Vesting conditions	a. The eligible director shall exercise options collectively during the period from the following day after he or she retired from the position as a director of the Company and through the 10th day. b. If the eligible director resigned from its position due to certain reasons, the number stock options may be reduced depending on the service period. c. If the eligible director gives up the subscription rights, he or she cannot exercise the stock options given up.
Eligible service period	From June 27, 2007 to June 26, 2008
Exercise period	From July 18, 2007 to July 17, 2037

	2nd Stock Option Plan
Persons granted	8 directors of the Company
Number of stock options by type of shares	Common stock 49,400 shares
Grant date	July 23, 2008
Vesting conditions	d. The eligible director shall exercise options collectively during the period from the following day after he or she retired from the position as a director of the Company and through the 10th day. e. If the eligible director resigned from its position due to certain reasons, the number stock options may be reduced depending on the service period. f. If the eligible director gives up the subscription rights, he or she cannot exercise the stock options given up.
Eligible service period	From June 26, 2008 to June 25, 2009
Exercise period	From July 23, 2008 to July 22, 2038

b. Volume and activity of stock options:

Volume of stock options:

	1st Stock Option Plan	2nd Stock Option Plan
Before vesting:		
At March 31, 2008	47,500	—
Granted	—	49,400
Forfeited	—	—
Vested	—	—
Outstanding	47,500	49,400
After vesting;		
At March 31, 2008	—	—
Vested	—	—
Exercised	—	—
Forfeited	—	—
Outstanding	—	—

Price information:

	1st Stock Option Plan		2nd Stock Option Plan	
	Exercised	Outstanding	Exercised	Outstanding
	Yen		Yen	
Exercise price	—	¥1	—	¥1
Average stock price at the time of exercise	—	—	—	—
Fair value at the date of grant	—	¥551	—	¥566

c. Valuation method for fair value of stock options:

The valuation method for fair value of 2008 stock options granted during the year ended March 31, 2009 is as follows:

Valuation method: Black-Scholes formula

Major basic numerical values and valuation method:

	1st Stock Option Plan	2nd Stock Option Plan
Stock price volatility	21.1%	21.3%
Expected years to expiration	5.9 years	4.9 years
Expected dividends	¥10 per share	¥10 per share
Risk-free interest rate	1.61%	1.20%

d. Estimation method for the vested number of stock options

Since it is difficult to make a reasonable estimate on future forfeited stock options, actual number of forfeited stock options is reflected in the estimation.

16. Leases

Information on finance leases other than those deemed to transfer ownership of the leased assets to the lessee for the years ended March 31, 2009 and 2008, is summarized as follows:

(1) The acquisition cost (interest expense which did not have a material effect on the accompanying financial statements was included), accumulated depreciation, and net book value as at March 31, 2009 and 2008 were as follows:

	Millions of yen					
	2009			2008		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	¥ 435	¥ 275	¥159	¥ 495	¥ 244	¥ 251
Tools, furniture and fixtures	1,158	696	462	1,369	672	697
Software	110	80	31	171	111	60
Total	¥1,702	¥1,051	¥652	¥2,035	¥1,027	¥1,008

	Thousands of U.S. dollars		
	2009		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery and equipment	$ 4,428	$ 2,800	$1,619
Tools, furniture and fixtures	11,789	7,085	4,703
Software	1,120	814	316
Total	$17,327	$10,699	$6,637

(2) Future minimum payments under lease contracts with non-cancelable terms (interest expense which did not have a material effect on the accompanying financial statements was included) as at March 31, 2009, were as follows:

	Millions of yen	Thousands of U.S. dollars
Within one year	¥343	$3,492
Over one year	309	3,146
Total	¥652	$6,637

(3) Lease payments and notional depreciation expenses for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Lease expense	¥403	¥465	$4,103
Notional depreciation	403	465	4,103

Depreciation equivalent is computed by the straight-line basis over the lease period based on the notional acquisition cost with no residual value.

17. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Sales distribution expenses	¥1,457	¥1,702	$14,833
Salaries and wages	6,590	6,428	67,087
Provision for bonuses	928	820	9,447
Provision for directors' bonuses	64	93	652
Retirement benefit expenses	288	544	2,932
Research and development expenses	6,085	6,543	61,946
Depreciation	677	919	6,892

18. Gain or Loss on Property and Equipment

Gains on sales of property and equipment and losses on sales and disposal of property and equipment for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Gain on sales of property and equipment:			
Buildings and structures	¥ 34	¥ —	$ 346
Machinery, equipment and vehicles	5	1	51
Others	1	—	10
Land	36	24	366
	¥ 76	¥ 25	$ 774
Loss on disposal of property and equipment:			
Buildings and structures	¥197	¥ 479	$2,005
Machinery and equipment	411	795	4,184
Others	43	81	438
	¥652	¥1,355	$6,637
Loss on sales of property and equipment:			
Buildings and structures	¥ —	¥ 10	$ —
Machinery and equipment	—	2	—
Land	8	—	81
	¥ 8	¥ 12	$ 81

19. Loss on Impairment of Property and Equipment

The Group recorded a loss on impairment for the following asset group for the years ended March 31, 2009 and 2008:

Year ended March 31	Use	Type of assets	Location	Condition
2009				
	Manufacturing equipment	Buildings and structures, machinery, equipment and vehicles and others (tools, furniture and fixtures)	Kasumigaura city, Ibaragi Pref.	Deteriorated operating ratio
	Manufacturing equipment	Buildings and structures, machinery, equipment and vehicles	Iwaki city, Fukushima Pref.	Idle
	Welfare facilities	Buildings and structures, others (tools, furniture and fixtures)	Komitama city, Ibaragi Pref.	Idle
2008				
	Rental real estate	Land	Kasumigaura city, Ibaragi Pref.	Idle
	Manufacturing equipment	Buildings and machinery	Iwaki city, Fukushima Pref.	Idle

Total losses on impairment on above asset group for the years ended March 31, 2009 and 2008 amounted to ¥478 million ($4,866 thousand) and ¥302 million, respectively.

The Group periodically reviews their fixed assets for impairment by grouping the assets in income generating units by business segment or by properties for real estate for rent or idle assets whenever there any indication of impairment. Although there was no indication of a significant decline in the fair value against its book value, the Group wrote down the assets whose operating ratio is significantly deteriorated and the idle assets to the recoverable value since there was no plan to use in future. The recoverable value, in case of deteriorated operating ratio, was measured at the value in use and computed by discounting future cash flows using a discount rate of 5.1% and, in case of idle assets, measured at net selling value, which is computed from an estimated salable value less estimated disposal expenses.

20. Derivatives and Hedging Activities

The Company and its consolidated subsidiaries utilize foreign exchange forward contracts to avoid the risk from future exchange rate fluctuations in connection with the foreign currency denominated receivables and payables and also interest rate swaps to reduce the financing costs related to long-term debts and short-term borrowings as a means to manage the interest rate risk. Certain foreign exchange forward contracts utilized by the Company and certain consolidated subsidiaries are exposed to a exchange rate fluctuation risk and interest rate risk from the movement of the interest rates is mitigated by converting floating interest rates to fixed interest rates using interest rate swap agreements. Interest rate swaps are accounted for in principle by the deferral method, under which the revaluation gain or loss on the hedging instruments are deferred as assets or liabilities until the gain or loss on hedged items will be recognized. However, certain interest swap agreements which qualify for hedge accounting and meet specific matching criteria are not revaluated at market value, but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

Counterparties which the Company and its consolidated subsidiaries enter into derivative financial instruments are limited to highly creditworthy financial institutions they have normal banking transactions in the normal course of business and therefore, the Company does not expect any losses to be incurred due to the defaults by these counterparties.

The Company and its consolidated subsidiaries have established internal rules regarding the authorization limits and the execution and control of the derivative transactions are done by the Finance Division. The execution of derivative transactions are exclusively authorized by the Finance Director and the status of outstanding position balances and revaluation profit and loss are periodically reported to the Finance Director.

The Company and its consolidated subsidiaries have the following contracts at March 31, 2009 and 2008:

	Millions of yen					
	2009			2008		
	Contract amount	Fair value	Unrealized gain (loss)	Contract amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:						
Selling:						
U.S. dollar	¥324	¥334	¥(10)	¥210	¥199	¥11
Euro	437	468	(31)	312	315	(3)
Total	—	—	¥(40)	—	—	¥ 8

	Thousands of U.S. dollars		
	2009		
	Contract amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:			
Selling:			
U.S. dollar	$3,298	$3,400	$(102)
Euro	4,449	4,764	(316)
Total	—	—	$(407)

Fair value is calculated using the forward rates. Derivatives which qualify for hedge accounting for the years ended March 31, 2009 and 2008 are not included in the above table.

21. Per Share Information

Net assets per share at March 31, 2009 and 2008 and net income per share for the years then ended were as follows:

	Yen		U.S. dollars
	2009	2008	2009
Net assets per share	¥533.45	¥572.24	$5.43
Basic net income per share	18.75	33.39	0.19
Diluted net income per share	18.74	33.39	0.19

Above per share information was computed using the following data:

	Millions of yen or shares		Thousands of U.S. dollars
	2009	2008	2009
Net assets per share:			
Total net assets per consolidated balance sheets	¥ 97,075	¥ 104,582	$ 988,242
Net assets attributed to common stock	¥ 95,575	¥ 103,387	$ 972,972
Differences – Minority interests	¥ 1,452	¥ 1,176	$ 14,782
– Stock subscription rights	¥ 47	¥ 19	$ 478
Number of outstanding shares of common stock	181,683,909	183,683,909	
Number of treasury stock	2,520,011	3,012,449	
Number of common stock used in computing net assets per share	179,163,898	180,671,460	
Basic net income per share:			
Net income per consolidated income statements	¥ 3,373	¥ 6,097	$ 34,338
Net income attributed to common stock	¥ 3,373	¥ 6,097	$ 34,338
Weighted average number of common stock during the period	179,890,186	182,588,052	
Diluted net income per share:			
Number of increased common stock used in computing diluted net income per share (stock subscription rights)	81,441	33,424	

22. Segment Information

Business segment information of the Group for the years ended March 31, 2009 and 2008 was as follows:

Year ended March 31, 2009	Advanced Materials	Specialty Chemicals	Specialty Plastics	Other Operations	Total	Elimination or Corporate	Consolidated
							Millions of yen
I. Sales and operating income							
Outside customers	¥32,424	¥33,898	¥43,538	¥33,881	¥143,741	¥ —	¥143,741
Inter-segment	569	194	1,212	19,203	21,178	(21,178)	—
Total	32,993	34,092	44,750	53,084	164,919	(21,178)	143,741
Operating expenses	32,315	28,361	43,095	50,980	154,750	(20,465)	134,285
Operating income	¥ 678	¥ 5,732	¥ 1,655	¥ 2,104	¥ 10,169	¥ (713)	¥ 9,456
II. Assets, depreciation and capital expenditure							
Assets	¥59,593	¥30,786	¥35,962	¥30,174	¥156,514	¥25,711	¥182,224
Depreciation	4,915	2,447	2,007	935	10,304	—	10,304
Loss on impairment	428	—	51	—	479	—	479
Capital expenditure	10,157	3,943	2,956	773	17,829	—	17,829

Year ended March 31, 2009	Advanced Materials	Specialty Chemicals	Specialty Plastics	Other Operations	Total	Elimination or Corporate	Consolidated
							Thousands of U.S. dollars
I. Sales and operating income							
Outside customers	$330,082	$345,088	$443,225	$344,915	$1,463,311	$ —	$1,463,311
Inter-segment	5,793	1,975	12,338	195,490	215,596	(215,596)	—
Total	335,875	347,063	455,563	540,405	1,678,907	(215,596)	1,463,311
Operating expenses	328,973	288,720	438,715	518,986	1,575,384	(208,338)	1,367,047
Operating income	$ 6,902	$ 58,353	$ 16,848	$ 21,419	$ 103,522	$ (7,258)	$ 96,264
II. Assets, depreciation and capital expenditure							
Assets	$606,668	$313,407	$366,100	$307,177	$1,593,342	$ 261,743	$1,855,075
Depreciation	50,036	24,911	20,432	9,518	104,897	—	104,897
Loss on impairment	4,357	—	519	—	4,876	—	4,876
Capital expenditure	103,400	40,140	30,093	7,869	181,503	—	181,503

Year ended March 31, 2008	Advanced Materials	Specialty Chemicals	Specialty Plastics	Other Operations	Total	Elimination or Corporate	Consolidated
							Millions of yen
I. Sales and operating income							
Outside customers	¥38,915	¥32,522	¥48,765	¥29,574	¥149,776	¥ —	¥149,776
Inter-segment	660	180	1,710	15,442	17,992	(17,992)	—
Total	39,575	32,702	50,475	45,016	167,768	(17,992)	149,776
Operating expenses	35,197	29,220	47,117	43,396	154,929	(17,876)	137,053
Operating income	¥ 4,378	¥ 3,482	¥ 3,358	¥ 1,620	¥ 12,839	¥ (116)	¥ 17,223
II. Assets, depreciation and capital expenditure							
Assets	¥53,756	¥30,494	¥38,942	¥29,161	¥152,353	¥34,996	¥187,349
Depreciation	4,636	2,314	2,289	909	10,148	—	10,148
Loss on impairment	34	92	176	—	302	—	302
Capital expenditure	4,163	2,846	2,125	951	10,085	—	10,085

Geographic segment information of the Group for the years ended March 31, 2009 and 2008 was as follows:

	Millions of yen					
Year ended March 31, 2009	Japan	Europe	Other regions	Total	Elimination or Corporate	Consolidated
I. Sales and operating income						
Outside customers	¥132,047	¥9,536	¥ 2,158	¥143,741	¥ —	¥143,741
Inter-segment	5,392	92	887	6,371	(6,371)	—
Total	137,440	9,628	3,045	150,112	(6,371)	150,112
Operating expenses	128,939	8,984	2,821	140,743	(6,458)	134,285
Operating income	¥ 8,501	¥ 644	¥ 224	¥ 9,370	¥ 87	¥ 9,456
II. Assets	¥146,564	¥6,095	¥10,690	¥163,349	¥18,876	¥182,224

	Thousands of U.S. dollars					
Year ended March 31, 2009	Japan	Europe	Other regions	Total	Elimination or Corporate	Consolidated
I. Sales and operating income						
Outside customers	$1,344,263	$97,078	$ 21,969	$1,463,311	$ —	$1,463,311
Inter-segment	54,892	937	9,030	64,858	(64,858)	—
Total	1,399,165	98,015	30,999	1,528,169	(64,858)	1,528,169
Operating expenses	1,312,623	91,459	28,718	1,432,790	(65,744)	1,367,047
Operating income	$ 86,542	$ 6,556	$ 2,280	$ 95,388	$ 886	$ 96,264
II. Assets	$1,492,049	$62,048	$108,826	$1,662,924	$192,161	$1,855,075

	Millions of yen					
Year ended March 31, 2008	Japan	Europe	Other regions	Total	Elimination or Corporate	Consolidated
I. Sales and operating income						
Outside customers	¥133,989	¥12,089	¥3,698	¥149,776	¥ —	¥149,776
Inter-segment	4,840	131	968	5,939	(5,939)	—
Total	138,829	12,220	4,666	155,715	(5,939)	149,776
Operating expenses	128,808	11,119	2,992	142,919	(5,865)	137,054
Operating income	¥ 10,021	¥ 1,101	¥1,674	¥ 12,796	(74)	¥ 12,722
II. Assets	¥140,973	¥ 7,869	¥7,763	¥156,605	¥30,744	¥187,349

Overseas sales information of the Group for the years ended March 31, 2009 and 2008 was as follows:

	Millions of yen			
Year ended March 31, 2009	Europe	Asia	Other regions	Total
I Overseas sales	¥14,137	¥9,894	¥3,528	¥ 27,559
II Consolidated sales				143,741
III % of consolidated sale	9.8%	6.9%	2.5%	19.2%

	Thousands of U.S. dollars			
Year ended March 31, 2009	Europe	Asia	Other regions	Total
I Overseas sales	$143,917	$100,723	$35,916	$ 280,556
II Consolidated sales				1,463,311

Year ended March 31, 2008	Europe	Asia	Other regions	Total
				Millions of yen
I Overseas sales	¥15,799	¥11,804	¥5,507	¥ 33,110
II Consolidated sales				149,776
III % of consolidated sale	10.5%	7.9%	3.7%	22.1%

23. Subsequent Events

The following appropriation of retained earnings has been approved by the general meeting of shareholders held on April 21, 2009.

	Millions of yen	Thousands of U.S. dollars
Cash dividends at ¥5.00 per share	¥896	$9,121

Main Group Companies by Segment (As of March 31, 2009)

The Kureha Group consists of Kureha Corporation, 36 subsidiaries (of which 34 are consolidated), and 4 affiliates (of which 1 applies the equity method). The group is engaged in the manufacture and sales of products in three main business segments: Advanced Materials, Specialty Chemicals, and Specialty Plastics. In addition, it undertakes construction and maintenance operations associated with each main business segment, transport operations, environmental management services, and other service operations.

ADVANCED MATERIALS

Kureha Corporation
Manufactures and sells advanced plastics and carbon products.

Kakogawa Plastics Co., Ltd.
Manufactures and sells vacuum deposition films and vacuum deposition processes.

Resinous Kasei Co., Ltd.
A subsidiary of Nishiki Trading Co., Ltd., the company manufactures and sells advanced materials.

Kureha GmbH
Sells Kureha's advanced materials and other products in Europe.

Kureha America, Inc.
Sells Kureha's advanced materials and other products in the U.S. Has a controlling stake in Fortron Industries LLC engaged in manufacturing and selling PPS resin and compounds in the U.S.

Kureha Advanced Materials, Inc.
Manufactures and sells carbon products in the U.S.

Kureha Chemicals Shanghai Co., Ltd.
Manufactures and sells carbon products. Purchases raw materials from and sells products to Kureha.

SPECIALTY CHEMICALS

Kureha Corporation
Manufactures and sells inorganic chemicals, organic chemicals, pharmaceuticals, pharmaceuticals for animals, and agrochemicals and other materials for agricultural use.

SPECIALTY PLASTICS

Kureha Corporation
Manufactures and sells food packaging materials, household products, and synthetic fiber products and sells the raw materials used to make these products.

Kureha Gosen Co., Ltd.
Manufactures and sells synthetic fibers. Purchases raw materials from and sells some products to Kureha.

Kureha Plastics Co., Ltd.
Manufactures and sells food packaging materials. Purchases raw materials from and sells products to Kureha.

Krehalon Industrie B.V.
Manufactures and sells food packaging materials in the Netherlands. Receives raw materials from Kureha.

Kureha Europe B.V.
Holds controlling stakes in Krehalon Industrie B.V. and three subsidiaries engaged in making food packaging materials.

Nantong SKT New Material Co., Ltd.
Manufactures and sells food packaging materials. Receives technology under license from Kureha.

OTHER OPERATIONS

Nishiki Trading Co., Ltd.
Sells and supplies advanced materials, specialty chemicals, specialty plastics, and other products.

Kureha Unyu Group
(Kureha Unyu Co., Ltd., and six subsidiaries)
Undertakes transportation and storage operations.

Kurehanishiki Construction Group
(Kurehanishiki Construction Co., Ltd., and three subsidiaries)
Undertakes engineering and construction work.

Kureha Service Co., Ltd.
Conducts real estate transactions, leasing and management, and other services. Performs certain operations for Kureha. Kureha Service acquired and merged its subsidiary on April 1, 2007.

Kureha Ecology Management Co., Ltd.
Undertakes industrial waste and medical waste processing.

Kureha Engineering Group
(Kureha Engineering Co., Ltd., and one subsidiary)
Undertakes plant engineering and management operations, safety-related operations, and environmental protection services.

Kureha Special Laboratory Co., Ltd.
Analyzes, measures, and performs environmental assessments for various substances. Performs tests for some Kureha products.

Kureha Staff Service Co., Ltd.
Undertakes temporary support operations and contracting services for manufacturing and logistics businesses. Kureha outsources part of its business to Kureha Staff Service.

Executives (As of June 25, 2009)

Board of Directors

Hiroshi TANAKA	Chairman of the Board of Directors
Takao IWASAKI	President & Chief Executive Officer
Koji HAGINO	Executive Vice President
Naoya SUZUKI	Executive Vice President
Keikichi MUNAKATA	Executive Vice President
Yutaka KOBAYASHI	Senior Vice President
Tadashi SAGAWA	Senior Vice President
Norikazu SUNOU	Senior Vice President
Kunihiko SAITO	Independent Outside Director
Takeshi TAKAHASHI	Independent Outside Director

Board of Corporate Auditors

Yasumasa HIRANO	Chairman of the Board of Corporate Auditors
Hiromichi KAMEYAMA	Corporate Auditor
Yutaka AKUNE	Corporate Auditor
Kazutoshi KIMURA	Corporate Auditor

Executive Officers

Takao IWASAKI	President & Chief Executive Officer
Koji HAGINO	Executive Vice President
Naoya SUZUKI	Executive Vice President
Keikichi MUNAKATA	Executive Vice President
Masahiko FUJII	Executive Vice President
Masatomo SHIGETA	Executive Vice President
Yutaka KOBAYASHI	Senior Vice President
Tadashi SAGAWA	Senior Vice President
Norikazu SUNOU	Senior Vice President
Tamotsu MIYAMORI	Senior Vice President
Yoshiki SHIGAKI	Senior Vice President
Nobuyuki HIRUTA	Vice President
Kazuhiko SUNAGAWA	Vice President
Yukihiro SHIBUYA	Vice President
Naoki FUKUZAWA	Vice President
Hidekazu KUNII	Vice President
Naoki UEDA	Vice President

Investor Information (As of March 31, 2009)

Corporate Data

Corporate Name	KUREHA CORPORATION
Headquarters	3-3-2, Nihonbashi-Hamacho, Chuo-ku, Tokyo 103-8552, Japan Tel: 81-3-3249-4666 Fax: 81-3-3249-4744
Date of Establishment	June 21, 1944
Paid-in Capital	¥12,460 million
Number of Employees	3,972 (consolidated) 1,250 (non-consolidated)
Independent Auditor	Nihombashi Corporation

Stock Information

Number of Shares of Common Stock Issued	181,683,909 shares
Number of Shareholders	16,402
Number of Shares Held by Foreign Shareholders	26,801,000 (14.8% of total)
Stock Exchange Listings	Tokyo Stock Exchange, Osaka Securities Exchange
Transfer Agent	Mizuho Trust & Banking Co., Ltd.

Major Shareholders

Japan Trustee Services Bank, Ltd. (trust account)
Meiji Yasuda Life Insurance Company
Tokio Marine & Nichido Fire Insurance Co., Ltd.
The Master Trust Bank of Japan, Ltd. (trust account)
Japan Trustee Services Bank, Ltd. (trust account 4)
Mizuho Corporate Bank, Ltd.
Daiichi Sankyo Company, Ltd.
Marubeni Corporation
Juniper
Sonpo Japan Insurance Inc.

http://www.kureha.co.jp/

KUREHA CORPORATION

VEGETABLE OIL INK