

Interim Results for the Financial Year Ending March 31, 2012

November 15, 2011

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1. Interim Results for the Financial Year 2011

Financial Highlights

(Comparison with same period in FY2010)

KUREHA CORPORATION

(Unit:100 million yen)

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

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Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Advanced Materials

(Unit:100 million yen)

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

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Specialty Chemicals

(Unit:100 million yen)

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

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Specialty Plastics

(Unit: 100 million yen)

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

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Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

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

(Unit: 100 million yen)

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

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

KUREHA CORPORATION

(Unit: 100million yen)

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

Reason for earnings increase/decrease

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

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Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

(Unit:100 million yen)

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

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Key Indicators (Comparison with same period in FY2010)

KUREHA CORPORATION

(Unit:100 million yen)

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

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

Balance Sheets

KUREHA CORPORATION

1.Assets

(Unit: 100 million yen)

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

2. Liabilities and net assets

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

KUREHA

(Unit: 100 million yen)

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

3. Estimates for the Financial Year ending March 2012

<Comparison with FY2011>

(Unit: 100 million yen)

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

Advanced Materials

(Unit: 100 million yen)

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

Specialty Chemicals

(Unit: 100 million yen)

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

Specialty Plastics

(Unit: 100 million yen)

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

Consolidated Net Sales and Operatin Income by Segment

KUREHA CORPORATION

Other Operations

(Unit: 100 million yen)

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

(Unit: 100 million yen)

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

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Key Indicators

KUREHA CORPORATION

(Unit: 100 million yen)

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

KUREHA

(Unit: 100 million yen)

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

3. Consolidated Companies

Consolidated Companies

KUREHA CORPORATION

(Unit :100million yen)

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

KUREHA

Consolidated Companies

KUREHA CORPORATION

(Unit:100 million yen)

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

KUREHA

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