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Kureha Corporation to Launch New Polyglycolic Acid (PGA) Business in West Virginia

TOKYO, JAPAN - Kureha Corporation today announced it will invest more than \$100 million in a new, wholly-owned subsidiary to build a plant for the production and sale of the high performance polymer, polyglycolic acid (PGA). The production facility will be located on the DuPont site in Belle, W.Va.

According to Dr. Takao Iwasaki, president and chief executive officer of Kureha Corporation, construction of the plant is scheduled to start in early 2008, with polymer production to begin in early 2010. The first phase of this construction will be a semi-works facility that will create approximately 50 new jobs and result in a turnover of greater than \$100 million.

Kureha Corporation is a leading global supplier of specialty chemicals and plastics, targeting diverse markets such as consumer packaging, household products, pharmaceuticals, agriculture and other industrial applications. The company continues to focus on growth and diversification by leveraging its commitment to research and development and the Kureha mission of *the pursuit of excellence*.

"The establishment of this PGA business is another milestone in Kureha's vision of becoming a specialty products company, radically redefining the way we approach our markets and customers," said Iwasaki. "With the development of this breakthrough technology and the strong intellectual property surrounding our work, PGA will become a centerpiece in the company's strategy of focusing on value-added, highly differentiated products, setting us on a path of strong growth and profitability."

PGA is a polyester resin which offers high gas barrier to both CO₂ and O₂, controllable hydrolysis and excellent mechanical strength. This unique combination of properties makes PGA ideally suited for high performance packaging and industrial applications. Today, the targeted application for PGA is multilayer polyethylene terephthalate (PET) bottles for carbonated soft drinks and beer. Since PGA offers a gas barrier 100 times higher than that of PET, it is possible to reduce the amount of PET used in these bottles by more than 20 percent, while maintaining the equivalent barrier against CO₂ loss.



This bottle redesign has the potential of yielding cost reduction as well as source reduction opportunities in the marketplace.

Perhaps most importantly, PGA's unique hydrolytic properties make it highly compatible with widely practiced industrial PET recycling processes, ensuring the material does not interfere with the purity and quality of recycled PET. In another packaging application, PGA multi-layer designs have been shown to enhance the gas and moisture barrier of bio-based polymers such as polylactic acid (PLA). Through expanded use in biodegradable applications, PGA will further contribute to environmental conservation.

In addition, Kureha is working with several development partners to commercialize industrial applications that utilize the easily controllable hydrolysis rate and excellent mechanical strength of PGA.

“PGA definitely fits in the sweet spot of Kureha’s focus on the triple bottom line: economic, environmental and social responsibility,” said Dr. Iwasaki. “Our aim is to maximize value while remaining committed to environmental and compliance issues, and in doing so, contribute to the local community as a responsible corporate citizen. When considering the potential unique and diverse opportunities for PGA, we estimate the business could eventually achieve a turnover in excess of \$1 billion.”

West Virginia Gov. Joe Manchin said Kureha could not have selected a better site than the DuPont Belle plant. “I am excited that Kureha has selected West Virginia for its newest manufacturing location, and proud that such a revolutionary product will be made in the Mountain State,” Manchin said. “This new partnership of Kureha Corp., DuPont and West Virginia proves that we can compete in the global chemical manufacturing marketplace.”

U.S. Sen. Jay Rockefeller said he is thrilled Kureha has become the 20th Japanese company to invest in West Virginia. “Our state has seen so much growth and success with Japanese companies in recent years, and I have no doubt that with this innovative product being made in Belle, that growth will only continue,” he said. “Each time you see an important announcement like the one Kureha made today, what you’re really seeing are more sound investments in our state’s economy, more jobs for West Virginians, and further validation that West Virginia is a serious competitor in the global marketplace.”



"We believe the new Kureha plant is a great synergistic fit with our operations here at Belle," said DuPont Belle Plant Manager Bill Menke. "It also will support our infrastructure at the site to make all of our businesses more competitive."

Iwasaki said PGA's simple molecular structure and rare combination of properties suggest that, from a scientific viewpoint, there is a low probability of finding a polymer in the future that rivals PGA's unique value proposition.

For many years there has been no high volume, cost effective manufacturing process available for PGA, and therefore its production has been limited to relatively small-scale operations for the manufacture of surgical sutures. Kureha is the first and only company which succeeded in developing technology to produce large volumes of PGA, supporting this development with significant intellectual property. In 2002, a 100-ton pilot plant was built at Kureha's Iwaki Factory in Japan, and from then on Kureha has been vigorously developing applications suitable for PGA.

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