



January 21, 2009

Iwaki Plant – Re: Commencement of Operations at Expanded Carbon Fiber Facility

In response to the increase in demand in various industrial fields for our carbon fiber (product name: Kreca), the Kureha Corporation (head office: Chuo-ku, Tokyo; president: Takao Iwasaki) has implemented an expansion of production facilities in both our Iwaki factory (Iwaki City, Fukushima Prefecture), and in Shanghai, China over the last several years. Today, we would like to announce the commencement of operations at our expanded “carbon fiber thread” facility at our Iwaki factory.

Our carbon fiber uses petroleum pitch as a base material, and is used widely as an insulator in the production of semiconductor silicon and ceramics. In recent years, however, the demand for this fiber has increased greatly as an insulator used in heat-treating furnaces that produce silicon for solar powered batteries.

On January 28 last year, we released a bulletin “Expansion of Carbon Fiber Business” announcing our plan to expand facilities by 2012. However, to meet the needs of the rapidly growing solar battery market, we needed to expediently construct a system for supplying furnace insulator, and thus decided to commence operations of our expanded “carbon fiber thread” facility two months ahead of schedule. With this, production capacity will increase from 1,100 to 1,450 tons a year; three times our original capacity (as we plan to increase yearly output to 1,800 tons in the future).

Additionally, we are continuing renovations at the Iwaki factory to increase production capacity of our “processed carbon fiber products” (sectional insulation “Kreca FR” and shortened fiber “Kreca Chop”), and will reach two times our original capacity by February of this year.

In Kureha’s new medium-term business plan “Grow Globally (GG),” which spans from this year to 2012, we have positioned carbon fiber operations as one of the business growth drivers, and are dedicated to creating a global network for its production and sales. We are currently rebuilding operational scenarios that include advancing schedules and additional plans at both the Iwaki factory and at production bases in China (Shanghai) and the US (Pennsylvania).