

Kureha Corporation Reports Fiscal 2011 Results

Tokyo, Japan – May 2012 – Kureha Corporation (“Kureha”), a leading global supplier of specialty chemicals and plastics, has reported earnings for the fiscal year ended March 31, 2012 (FY2011). On a consolidated basis, operating income increased by 33.4% year-on-year to ¥8.472 billion and recurring income was up 39.5% to ¥7.867 billion on sales of ¥128.3 billion (down 3.0%). Net income more than doubled from the previous year to ¥1.46 billion. The annual dividend remains at ¥10.0 per share.

As Kureha stated in an official revision to its earnings estimates on April 27, overall results represented an improvement from the previous fiscal year. Despite the decline in top-line revenue, the company delivered earnings improvement thanks to dedicated efforts to control CoG (Cost of Goods) and SG&A (Sales, General and Administrative expenses). The company recorded better-than-expected expansion of operating profit, while a reassessment of accrual of evaluation loss from the previous term on investment securities pushed recurring profits above original expectations.

Kureha President and Chief Executive Officer, Takao Iwasaki, commented: “I am pleased with overall performance during the past fiscal year. Our Iwaki production site had incurred damage as a result of the Great East Japan Earthquake and aftershocks last March and April, but thanks to the dedication of our staff and the local community, the plant quickly recovered and resumed full production at normal levels by August 2011.”

“Kureha has placed special emphasis on the development of materials related to lithium-ion secondary batteries, namely binders and anode materials, for use in eco-friendly vehicles. For example, production capacity for PVDF has risen in Japan and overseas, while development of new type of bio-anode is now underway. Each of these areas are expected to contribute to earnings in the coming years.”

Summary of consolidated full year results

(¥ million, except where stated)

	March 2011	March 2012	Change (%)
Sales	132,309	128,358	-3.0
Operating income	6,350	8,472	33.4
Recurring income	5,638	7,867	39.5
Net income	692	1,460	111.0
Earnings per share (EPS) (¥)	3.97	8.51	114.4

Business highlights

New mid-term business plan, “Grow Globally II”

On January 23, 2012, Kureha announced its new mid-term business plan for the period fiscal 2012 to 2015, named “Grow Globally II”, with the aim of further accelerating business growth globally in competitive areas and securing talented people to bolster solid technological foundations. The company is targeting operating profits of ¥20 billion on sales of ¥200 billion by the fiscal year ending March 2016, with the contribution of overseas sales to expand to 33% from the current 20%. Kureha also aims to allocate significant capital expenditure, ¥90 billion in total, over the next four years to further expand production capacity in response to continued demand growth.

Kureha Battery Materials Japan

Kureha Battery Materials Japan Co., Ltd (KBMJ) was established in April 2011 through joint investment from Kureha (70%) and ITOCHU Corporation (30%), and began operations in October 2011. KBMJ is principally engaged in the production and sales of active anode materials for lithium-ion secondary batteries, CARBOTRON P, and sales of binders and gel polymer for lithium-ion batteries, KF POLYMER, and activated carbon for Electric Double-Layer Capacitors (EDLC).

Earthquake related costs

Extraordinary losses associated with the March 2011 earthquake and aftershocks and related costs amounted to ¥3.37 billion in fiscal 2011 and ¥3.80 billion in fiscal 2012. The company expects no such losses in fiscal 2013.

Transfer of fishing line business to subsidiary

In order to consolidate the synthetic textile related business, Kureha’s *Seaguar* fishing line business was transferred to its subsidiary, Kureha Gosen, as of April 1, 2012.

Transfer of environmental equipment business

Environmental equipment sales had previously been conducted by Kureha Engineering. However, from April 2012 Kureha Environment has taken over these businesses as part of a move to consolidate all environment related businesses to improve synergies and profitability.

Consolidated performance by segment

(¥ million, except where stated)

Division		March 2011	March 2012	March 2013 (Forecast)
Advanced materials	Sales	33,391	31,253	35,000
	Operating income/loss	363	534	100
Specialty chemicals	Sales	33,552	30,182	33,500
	Operating income/loss	5,202	4,715	4,800
Specialty plastics	Sales	41,091	37,672	44,000
	Operating income/loss	1,789	2,226	4,300
Construction-related	Sales	12,759	16,300	13,000
	Operating income/loss	-386	1,114	200
Other operations	Sales	11,514	12,950	14,500
	Operating income/loss	38	932	900
(Cancellations)	Operating income/loss	(657)	(1,051)	(200)
Total	Sales	132,309	128,358	140,000
	Operating income	6,350	8,472	10,000

Performance by division

Advanced materials division

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

Advanced materials division sales were down 6% year-on-year to ¥31.3 billion, with the division reporting an operating profit of ¥0.5 billion. Demand for advanced plastics continued to expand while carbon products have been impacted by the emergence of significant inventory adjustments.

Demand growth for advanced plastics

Sales of advanced plastics were up 2% from ¥14.3 billion to ¥14.7 billion. PPS resin recorded growth in profits as a result of strong demand for use in the automotive sector, with the recent growth in popularity of hybrid cars in particular having a positive influence. Business at the U.S. PPS joint venture has also demonstrated improved performance. In addition, PVDF resin also recorded stronger sales and operating profits in comparison to the previous year, mainly due to growing demand for use in electrode binders for lithium-ion batteries. On this basis, PVDF production has continued running at full capacity even after the capacity expansion completed last summer.

Inventory adjustment for carbon fibers

Sales of carbon fiber products were down 5% to ¥6.9 billion. Demand for carbon fiber was stable during the first half, but showed a notable decline due to inventory adjustments to products for use as insulating materials for solar power equipment. Such inventory adjustments look set to continue over the next 12 months or so.

PGA factory construction completed

Construction of Kureha's PGA plant in the U.S. was completed in September 2012, although it is still in a trial production phase and as a result the company had to accrue operating costs as non-operating losses. As has previously been reported, the focus for development of applications has been shifting from the beverage to energy sector. For example, Kureha is now working with several companies operating in the shale gas industry to utilize PGA to improve the recovery ratio of residuals.

Outlook: FY2012 divisional sales are forecast to increase 12% to ¥35.0 billion, while operating income is to deteriorate to ¥100 million. Kureha anticipates that PPS resin for use in the auto sector will continue to demonstrate steady growth. PPS resin production at the Iwaki factory will continue at full capacity, while operating capacity at the U.S. plant is expected to further contribute to earnings. PVDF resin sales are also expected to grow for use in lithium-ion battery binders. In contrast, however, demand for carbon products for use in lithium-ion battery anode is expected to grow, but use in silicon-based manufacturing equipment for solar equipment to continue to worsen and is expected to place pressure on operating profits. For PGA, evaluation for use in shale gas and applications supporting oil extraction activities is expected to be completed in the second half of the fiscal year.

Specialty chemicals division

Major product areas – industrial chemicals, agrochemicals, pharmaceuticals

Specialty chemicals division sales were down 10% year-on-year to ¥30.2 billion from ¥33.6 billion while operating profit declined 9% to ¥4.7 billion. This was in part due to decreased shipments of industrial chemicals and pharmaceutical products, which were negatively impacted by earthquake.

Pharmaceuticals revenue weakens

Sales of pharmaceutical products declined from ¥10.2 billion to ¥8.0 billion, as a result of the accelerated shipments of *Kremezin* during the previous year to secure inventory immediately after the earthquake, which led to a comparative decline in shipments during FY2011.

Industrial chemicals to see delay in recovery

Sales of industrial chemicals declined 9% to ¥9.0 billion. Although sales of organic chemicals remained flat, inorganic chemicals were negatively impacted by demand-side delays in recovery following the March 2011 earthquake.

Agrochemicals profits to expand

Sales of agrochemical products were up 5% year-on-year to ¥7.6 billion. *Metconazole*, an agricultural fungicide, recorded an expansion of profits following an increase in sales volume that offset the negative impact of the weakened Euro. Kureha's success in securing growth of agrochemical sales was also significant for having come at a time when the company withdrew from the agrochemical materials (fertilized granulated soils) business, which resulted in the removal of some ¥700 million of sales revenue.

Outlook: Fiscal 2012 divisional sales are expected to increase to ¥33.5 billion, with operating income also projected to increase slightly. Kureha expects export sales of *Metconazole* to expand, but also to be hit by the adverse impact of currency fluctuation. For *Kremezin*, official prices have been revised down by 7%, although the company is anticipating an expansion of sales volumes, and the company is also due to receive proceeds from the settlement of a patent infringement case.

Specialty plastics division

Major product areas – food packaging materials for commercial use, household packaging products

Specialty plastics division sales declined 8% to ¥37.7 billion from ¥41.1 billion. Operating income improved 25% to ¥2.2 billion, thanks to improved utilization of Kureha's Vietnamese plant for commercial packaging materials and successful efforts to improve the price performance of *Krewrap* household packaging goods.

Improved utilization of Vietnam plant

Sales of food packaging materials for commercial use were down 13% to ¥9.6 billion, while profits improved due to an increased utilization ratio of production facilities in Vietnam. In Europe, hikes in raw material prices led to cost increases at the multi-layer shrinkable film business.

***NEW Krewrap* records improved profitability**

Sales of household products were down 20% to ¥14.0 billion from ¥17.5 billion. Despite an initial delay in the recovery of shipments of *New Krewrap*, profitability improved due to cost-cutting efforts and sales began to recover during the second half of the fiscal year.

Outlook: Fiscal 2012 divisional sales are forecast to recover significantly by 17% to ¥44.0 billion. Operating income is also projected to see an even more marked, 93% increase to ¥4.3 billion due to further improvement utilization and profitability at the Vietnam plant, increased shipments of PVDC compounds to China having recovered from the impact of the earthquake, and continued sales increase of household packaging products.

Construction and other operations division

Major product areas – construction, environmental engineering, transport/warehousing, and trading related businesses

Construction sales were up 22% year-on-year to ¥16.3 billion from ¥12.8 billion, with an operating profit of ¥1.1 billion representing a significant improvement from the previous deficit of ¥0.4 billion. Sales of other operations collectively also increased 12% to ¥13.0 billion from ¥11.5 billion, with an operating profit of ¥0.9 billion.

Expansion of construction operations

Construction related businesses continued to expand as a result of earthquake related reconstruction works. In addition, Kureha conducted cost-cutting efforts that led to improved profitability.

Environmental engineering profitability improves

Environmental engineering sales were up 30% to ¥7.5 billion from ¥5.8 billion. Demand

for industrial waste processing operations increased in response to earthquake recovery efforts, while the Kanagawa plant also saw increased utilization rates and contributed to an improvement in earnings.

Logistics and warehousing businesses largely unchanged

Logistics and warehousing business sales were down 3% to ¥10.6 billion, and trading related business sales were also down 5% to ¥1.8 billion.

Outlook: Fiscal 2012 divisional sales for construction are projected to decline by 20% to ¥13.0 billion, with operating income also expected to decline, due to the gradual reduction in earthquake related reconstruction operations. Divisional sales for other operations are estimated to increase by 12% to ¥14.5 billion, with operating income to stay flat at ¥0.9 billion. Growth in industrial waste related operations is anticipated, specifically micro-PCB (Polychlorinated Biphenyls) processing work.

FY2012 Outlook

(¥ million, except where stated)

	March 2012	March 2013 (Forecast)	Change (%)
Sales	128,358	140,000	9.1
Operating income	8,472	10,000	18.0
Recurring income	7,867	8,000	1.7
Net income	1,460	3,500	139.7
Earnings per share (EPS) (¥)	8.51	20.39	139.6

Kureha forecasts sales of ¥140.0 billion in fiscal 2012, up 9.1%; operating income of ¥10.0 billion, up 18.0%; recurring income of ¥8.0 billion, up 1.7%; and net income of ¥3.5 billion, up 139.7%.

As noted, Kureha expects a strong performance from the specialty plastic business to provide a significant contribution to the growth of operating income due to improvement utilization of the Vietnam plant, volume expansion of PVDC compounds to China, and continued sales increase of household packaging products. However, deterioration of the carbon fiber business is expected to have a negative impact on performance during the period. In addition, expansion of recurring income is estimated to be limited due to continued costs associated with the PGA plant in U.S., while a significant jump in net income is projected due to the absence of accrual of extraordinary losses related to earthquake.

Capex, Depreciation, R&D and Debt

(¥ billion)

	March 2011	March 2012	March 2013 (forecast)
Capital expenditure	14.1	14.4	26.0
Depreciation	10.3	9.6	9.0
R&D	5.5	5.1	5.7
Interest-bearing debt	54.9	56.7	71.9

Capital expenditure increased marginally to ¥14.4 billion in fiscal 2011, with expenditure projected to significantly rise to ¥26.0 billion in the current fiscal year in line with the commitment Kureha made in “Grow Globally II”, where capital expenditure between 2012 to 2015 is to reach ¥90.0 billion. The company’s aim is to further expand production operations and also upgrade its core technological capabilities at the Iwaki manufacturing site as well as at its overseas facilities.

Depreciation declined from ¥10.3 billion to ¥9.6 billion in fiscal 2011, and is projected to decline to ¥9.0 billion during the coming fiscal year, partly due to a change in the accounting method.

R&D spending during fiscal 2010 was ¥5.1 billion, representing a decline from the previous year of ¥5.5 billion. R&D expenditure remains critical to Kureha’s operations, as is reflected by the company’s plans to increase spending to ¥5.7 billion during fiscal 2012.

Interest-bearing debt is set to increase from ¥56.7 billion to ¥71.9 billion in fiscal 2012, in line with expansion of capital expenditure.

For further information, please contact:

KUREHA CORPORATION

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<Appendix>

Condensed Consolidated Balance Sheets

(¥ millions)

	31 March 2012	31 March 2011
Assets		
Current assets	66,821	64,161
Cash and cash equivalents	8,857	10,746
Fixed assets		117,591
Tangible assets	87,118	83,917
Intangible assets	840	868
Investments and other assets	31,443	32,805
Total Assets	186,223	181,753
Liabilities		
Current liabilities	57,316	49,051
Short-term borrowings	16,049	13,455
Fixed liabilities	40,352	43,200
Corporate bonds	20,000	20,000
Long-term borrowings	15,634	17,429
Total Liabilities	97,669	92,252
Net Assets		
Shareholders' equity	89,051	89,310
Reevaluation and conversion differences, etc.	-1,444	-477
Minority interest	864	603
Total Net Assets	88,554	89,500
Total Liabilities and Net Assets	186,223	181,753

Condensed Consolidated Statement of Income

(¥ millions)

	March 2012	March 2011
Sales	128,358	132,309
Cost of goods sold	93,368	98,674
Selling, general and administrative expenses	26,518	27,284
Operating income	8,472	6,350
Non-operating income	1,189	1,331
Non-operating expenses	1,794	2,043
Recurring income	7,867	5,638
Extraordinary gains	1,145	708
Extraordinary losses	5,824	4,590
Income before income taxes	3,188	1,757
Taxes and adjustments	1,501	795
Minority interest	226	269
Net income	1,460	692

Results for the Year ended March 31, 2012

May 18, 2012

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1. Consolidated Companies

KUREHA CORPORATION

(Unit :100million yen)

		FY2011		FY2012		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Kureha Corporation		832	1,498	731	1,513	-101	15
Kureha Trading Co., Ltd. and one group company		303	120	271	126	-31	7
Advanced Materials	Kureha Corporation	248	-	220	-	-28	-
	Kureha Trading Co., Ltd. and one group company	101	-	88	-	-12	-
	Kureha Battery Materials Japan and two group Companies	-	-	23	38	23	-
	Kureha Extech Co., Ltd.	22	19	19	24	-2	5
	Nihon Extron Co., Ltd.	14	16	14	16	0	0
	Kureha GmbH	16	9	15	10	-1	0
	Kureha America Inc.and three group companies	28	203	33	222	4	19
	Kureha Chemicals Shanghai Co., Ltd.	15	22	23	27	8	5
	Kureha (China) Investment Co.,Ltd and one group company	-	-	-	20	-	-
Consolidation adjustments		-109	-	-123	-	-14	-
Total		334	-	313	-	-21	-
Specialty Chemicals	Kureha Corporation	273	-	247	-	-27	-
	Kureha Trading Co., Ltd.	95	-	85	-	-10	-
	Consolidation adjustments	-32	-	-29	-	2	-
Total		336	-	302	-	-34	-
Specialty Plastics	Kureha Corporation	311	-	265	-	-46	-
	Kureha Trading Co., Ltd.	88	-	80	-	-8	-
	Kureha Gosen Co., Ltd.	25	19	30	21	5	2
	Kureha Plastics Co., Ltd.	32	-	-	-	-	-
	Krehalon Industrie B.V. and four group company	64	44	61	42	-3	-2
	Kureha Vietnam Co., Ltd.	13	34	23	38	10	4
Consolidation adjustments		-123	-	-82	-	41	-
Total		411	-	377	-	-34	-

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1. Consolidated Companies

KUREHA CORPORATION

(Unit: 100 million yen)

		FY2011		FY2012		Increase/Decrease	
		Net sales	Total assets	Net sales	Total assets	Net sales	Total assets
Construction - related	Kurehanishiki Construction Co., Ltd. and three group companies	130	70	193	96	63	26
	Kureha Engineering Co., Ltd.	78	46	100	44	22	-2
	Consolidation Adjustments	-80	-	-129	-	-49	-
	Total	128	117	163	140	35	23
Other Operations	Kureha Ecology Management Co., Ltd.	44	63	62	67	18	4
	Kureha Special Laboratory Co., Ltd.	13	6	13	8	-0	2
	Kureha Unyu Co., Ltd. and six group companies	110	61	106	63	-3	2
	Kureha Trading Co., Ltd.	19	-	18	-	-1	-
	Kureha Service Co., Ltd.	5	7	5	8	0	1
	Kureha Staff Service Co., Ltd.	23	6	17	7	-6	0
	Consolidation Adjustments	-99	-	-92	-	6	-
Total	115	-	129	-	14	-	
(Number of consolidated companies)		(32)		(38)			
Consolidation Total		1,323	1,818	1,284	1,862	-40	45
Equity-method affiliates	Nangtong SKT New Material Co., Ltd.	31		28		-3	

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2. Fiscal 2011 Results and Fiscal 2012 Forecasts

Financial Highlights

KUREHA CORPORATION

(unit: 100million yen)

	FY2010			FY2011						FY2012(est.)			※()FY2012 second quarter (est.)				
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-year change				Consolidated	Non-consolidated	Ratio	Year-on-year change		Consolidated	Non-consolidated
							Consolidated	Non-consolidated	Consolidated	Non-consolidated							
Net sales	1,323	832	1.6	1,284	731	1.8	-40	-3%	-101	-12%	(680)	(400)	1.7	116	9.1%	79	10.8%
Operating income	64	51	1.2	85	61	1.4	21	33%	9	18%	(47)	(38)	1.4	15	18.0%	9	15.2%
Recurring income	56	51	1.1	79	62	1.3	22	40%	11	21%	(40)	(40)	1.1	1	1.7%	8	12.8%
Net income	7	33	0.2	15	10	1.4	8	111%	-23	-69%	(15)	(20)	1.1	20	139.7%	23	220.4%
Total assets	1,818	1,498	1.2	1,862	1,513	1.2	45	2%	15	1%							
Shareholders' equity	895	856	1.0	886	848	1.0	-9	-1%	-8	-1%							
Net income per share	yen 3.97	yen 18.99	0.2	yen 8.51	yen 6.00	1.4	yen 4.54	114%	yen -12.99	-68%							
Shareholder's equity per share(yen)	yen 517.47	yen 498.23	1.0	yen 510.37	yen 493.67	1.0	yen -7.10	-1%	yen -4.56	-1%							
Equity ratio	% 48.9	% 57.1	0.9	% 47.0	% 56.0	0.8	% -1.9	-	% -1.1	-							

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Key Indicators

KUREHA CORPORATION

(unit : 100 million yen)

	FY2010			FY2011						FY2012(est.)							
	Consolidated	Non-consolidated	Ratio	Consolidated	Non-consolidated	Ratio	Year-on-year change				Consolidated	Non-consolidated	Ratio	Year-on-year change			
							Consolidated	Non-consolidated	Consolidated	Non-consolidated				Consolidated	Non-consolidated		
Capital Expenditure	141	62	2.3	144	72	2.0	3	2%	10	15%	260	190	1.4	116	81%	118	165%
Depreciation	103	87	1.2	96	80	1.2	-7	-7%	-7	-8%	90	69	1.3	-6	-6%	-11	-14%
R&D expenses	55	52	1.0	51	48	1.1	-4	-7%	-4	-8%	57	53	1.1	6	12%	5	11%
Interest-bearing debt	549	396	1.4	567	406	1.4	18	3%	10	2%	719	527	1.4	152	27%	121	30%
Net interest expense	-0	7	-	-1	8	-	-1	-	1	13%	-3	7	-	-2	-	-1	-10%
Exchange rate	85.93yen/\$、113.47yen/EUR			79.09yen/\$、109.17yen/EUR						80yen/\$、105yen/EUR							
Dividend per share	10.0 yen/year			10.0 yen/year						10.0 yen/year							
Employees	4,078	1,626	2.5	4,032	1,628	2.5	-46	-1%	2	0%	4,094	1,684	2.4	62	2%	56	3%

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Balance Sheets

KUREHA CORPORATION

1. Assets

(Unit: 100 million yen)

	As of Mar. 31, 2011		As of Mar. 31, 2012		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cash and cash equivalents	107	50	89	34	-19	-16
Accounts and notes receivable-trade	273	166	296	174	23	8
Inventories	192	141	222	160	30	19
Other current assets	69	93	62	86	-7	-6
Sub total	642	450	668	454	27	4
Property, plant and equipment	839	553	871	537	32	-15
Intangible assets	9	5	8	4	-0	-1
Investments and other assets	328	490	314	517	-14	27
Sub total	1,176	1,048	1,194	1,059	18	11
Total	1,818	1,498	1,862	1,513	44	15

2. Liabilities and net assets

(Unit: 100 million yen)

	As of Mar. 31, 2011		As of Mar. 31, 2012		Increase/decrease	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Accounts and notes payable-trade	142	66	193	85	51	19
Interest-bearing debt	549	396	567	406	18	10
Reserves	51	31	39	21	-13	-10
Other liabilities	181	149	179	153	-2	4
Sub total	923	642	977	665	54	23
Common stock	125	125	125	125	0	-0
Capital reserves	95	102	92	102	-3	0
Retained earnings	719	638	720	631	1	-7
Treasury stock, at cost	-45	-45	-45	-45	-0	-0
Valuation and translation adjustment	-5	36	-14	35	-10	-1
Share warrant	1	1	1	1	0	0
Minority interests	6	-	9	-	3	-
Sub total	895	856	886	848	-9	-8
Total	1,818	1,498	1,862	1,513	44	15

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Analysis of Recurring Income

KUREHA CORPORATION

		FY2010		FY2011		Change
Recurring income	Kureha	51.4	91%	62.1	79%	10.7
	Consolidated subsidiaries	10.9	19%	28.2	36%	17.3
	Equity-method affiliates	3.2	6%	2.1	3%	-1.0
	Consolidation adjustments	-9.1	-16%	-13.8	-17%	-4.7
		56.4	100%	78.7	100%	22.3

Reason for earnings increase/decrease

	Reason for increase		Reason for decrease		Total
	Item	Amount	Item	Amount	
Kureha	Increased unit sales price	15	Decreased sales volume	-60	10.7
	Decreased manufacturing fixed costs	4	Increased unit price of purchased products, raw materials and fuels	-12	
	Differing inventories levels	44			
	Decreased direct marketing costs	4			
	Decreased general and administrative costs	14			
	Decreased Non-operating Income	1			
		83		-72	
Consolidated subsidiaries	Domestic specialty plastics business	1	Domestic advanced materials business	-2	17.3
	Overseas specialty plastics business	3	Overseas advanced materials business	-5	
	Construction-related business	13	Others	-2	
	Environmental engineering business	10			
		26		-9	

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Breakdown of Extraordinary Income/Losses

KUREHA CORPORATION

		FY2010		FY2011			
				Amount		Increase/Decrease	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Extraordinary Income	Gain on business transfer	-	-	7.0	7.0	7.0	7.0
	Gain on extinguishment of tie-in shares	-	11.3	-	-	-	-11.3
	Reversal of allowance for doubtful accounts	2.4	-	-	-	2.4	-
	Gain on sales of investment securities	2.1	0.0	0.8	0.8	-1.3	0.8
	Gain on sales of noncurrent assets	0.0	-	1.3	0.0	1.3	0.0
	Othes	2.5	12.5	2.3	0.9	-0.2	-11.6
	Total	7.1	23.8	11.5	8.7	4.4	-15.1
Extraordinary Loss	Loss on disaster	33.7	29.9	38.0	40.6	4.3	10.7
	Loss on business withdrawal	4.2	4.2	0.3	0.3	-3.9	-3.9
	Loss on sales and retirement of noncurrent assets	3.3	3.5	15.3	12.0	12.0	8.5
	Asset retirement obligations	1.8	1.8	-	-	-1.8	-1.8
	Loss on write-down of securities	-	-	0.9	0.8	0.9	0.8
	others	2.8	0.9	3.8	1.0	1.0	0.1
	Total	45.9	40.4	58.2	54.7	12.3	14.3

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(Unit: 100 million yen)

		FY2010		FY2011		FY2012(est.)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Cashflow from Operating activities	Pre-depreciation profit	120	122	128	96	150	124
	Increase/decrease in assets and liabilities	10	22	8	-19	-15	-5
	Payments of corporation tax	-23	-18	-9	-1	-13	-5
	Other-net	18	7	-5	-4	7	18
		125	133	121	73	129	132
Cashflow from investing activities		-114	-125	-142	-81	-266	-245
Cashflow from financing activities		27	-5	4	-8	135	104
Effect of exchange rate change on cash and cash equivalents		-3	-0	-3	0	0	0
Net increase (decrease) in cash and cash equivalents		35	3	-19	-16	-2	-9
Cash and cash equivalents at beginning of year		72	47	107	50	89	34
Cash and cash equivalents at end of year		107	50	89	34	87	25

3. Consolidated Net Sales and Operating Income by Segment

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

<Advanced Materials>

(Unit:100 million yen)

			FY2010	FY2011		FY2012(est.)			
				Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Kureha	Carbon products	73	69	-3	-5%	63	-6	-9%
		Advanced plastics	143	147	3	2%	172	25	17%
		Others	32	4	-28	-88%	5	1	28%
		Total	248	220	-28	-11%	240	20	9%
	Consolidated subsidiaries	195	216	21	11%	290	74	8%	
	Eliminations	-109	-123	-14	-	-180	-57	-	
	Total	334	313	-21	-6%	350	38	12%	
Consolidated operating income			4	5	2	49%	1	-4	-81%

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Chemicals >

(Unit:100 million yen)

		FY2010	FY2011		FY2012(est.)				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Industrial chemicals	99	90	-9	-9%	93	3	3%
		Agrochemicals	72	76	4	5%	77	1	1%
		Pharmaceuticals	102	80	-22	-21%	90	10	13%
		Total	273	246	-27	-10%	260	14	5%
	Consolidated subsidiaries	95	85	-10	-10%	90	5	6%	
	Eliminations	-32	-30	3	-	-15	15	-	
	Total	336	302	-34	-10%	335	33	11%	
Consolidated operating income		52	47	-5	-9%	48	1	2%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Specialty Plastics >

(Unit:100 million yen)

		FY2010	FY2011		FY2012(est.)				
			Amount	Increase/decrease	Amount	Increase/decrease			
Consolidated net sales	Kureha	Food packaging materials	110	96	-15	-13%	113	17	18%
		Household products	175	140	-35	-20%	177	37	26%
		Fishing lines	10	11	1	6%	0	-11	-100%
		Others	16	18	2	13%	20	2	12%
	Total	311	265	-46	-15%	310	45	17%	
	Consolidated subsidiaries	223	194	-28	-13%	230	36	18%	
	Eliminations	-123	-82	41	-	-100	-18	-	
Total		411	377	-34	-8%	440	63	17%	
Consolidated net income		18	22	4	25%	43	21	93%	

KUREHA

Consolidated Net Sales and Operating Income by Segment

KUREHA CORPORATION

< Construction – related >

(Unit:100 million yen)

		FY2010	FY2011		FY2012(est.)			
			Amount	Increase/decrease	Amount	Increase/d ecrease		
Consolidated net sales	Construction-related business	208	292	84	41%	220	-72	-25%
	Consolidation adjustments	-80	-129	-49	-	-90	39	-
	Total	128	163	35	28%	130	-33	-20%
Consolidated operating income		-4	11	15	-	1	-10	-91%

< Other Operations >

(Unit:100 million yen)

			FY2010	FY2011		FY2012(est.)			
				Amount	Increase/decrease	Amount	Increase/decrease		
Consolidated net sales	Kureha	Environmental	58	75	17	30%	95	20	27%
		Logistics and warehousing business	110	106	-3	-3%	109	3	2%
		Trading	19	18	-1	-5%	20	2	9%
		Others	27	22	-6	-20%	21	-1	-3%
		Total	214	222	8	4%	245	23	11%
	Consolidation adjustments	-99	-92	7	-	-100	-8	-	
Total			115	130	14	12%	145	15	12%
Consolidated operating income			0	9	9	2292%	9	0	0%

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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