

Reference Material

October 30, 2007
Kuraray Co., Ltd.

Supplementary Material for Semi-annual Financial Information 2008

1. Major Factors Underlying Operating Income Trend (Consolidated)

(Billions of yen)

Operating income	September 30, 2007	24.3
	September 30, 2006	19.1
	Change	5.1

Factor	Amount
Sales volume-related	4.0
Foreign exchange-related	1.5
Product portfolio change-related	0.5
Selling price-related	5.5
Raw material/fuel cost-related	(3.5)
Depreciation and amortization	(1.6)
Other Groupwide common expenses	(1.3)
Total	5.1

Average exchange rate

September 30, 2007: YEN119=US\$1

September 30, 2006: YEN115=US\$1

2. Interest-Bearing Debt and Financial Account Balance (Consolidated)

(Billions of yen)

	Interest-bearing debt	Financial account balance	
			Dividends
September 30, 2007	35.8	1.0	0.9
March 31, 2007	28.0	1.5	0.9
September 30, 2006	27.6	0.6	0.4

Note: Interest-bearing debt is presented as the interim or year-end balance.

3. Business Segments and Principal Products (Consolidated)

Business segment	Principal products
Chemicals and resins	Poval resins and films, PVB resins and films, <i>EVVAL</i> , isoprene, fine chemicals, methacrylic resins, resin finished products
Fibers and textiles	<i>KURALON</i> , man-made leather, non-woven fabrics, hook and loop fasteners, polyester, textiles
High-performance materials, medical products and others	Medical products, high-performance materials, activated carbon, functional membranes, engineering operations

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4. Capital Expenditure, Depreciation and Amortization

(Billions of yen)

	Capital expenditure		Depreciation and amortization	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
March 31, 2008 (Estimate)	46.0	40.0	32.0	21.0
September 30, 2007	22.7	19.0	14.4	8.8
March 31, 2007	37.7	30.2	25.5	15.9
September 30, 2006	16.7	11.1	12.8	7.6

5. Total R&D Expenses

(Billions of yen)

	Consolidated	Non-consolidated
September 30, 2007	7.4	5.1
March 31, 2007	13.0	9.5
September 30, 2006	6.9	4.9

6. Number of Employees

	Consolidated	Non-consolidated
September 30, 2007	6,788	2,734
March 31, 2007	6,812	2,613
September 30, 2006	6,913	2,695

7. Financial Highlights

(Billions of yen, unless otherwise stated)

	Consolidated		Non-consolidated		Consolidated/ non-consolidated ratio (times)
		Change (See note)		Change (See note)	
Net sales	206.2	7.8%	100.5	4.3%	2.05
Gross profit	60.6	11.6%	33.9	16.1%	1.79
Operating income	24.3	26.8%	15.9	40.5%	1.53
Ordinary income	22.7	31.3%	17.5	42.0%	1.29
Net income	13.9	40.6%	10.9	50.0%	1.28
Net income per share	¥38.59	-	¥30.18	-	1.28
Total assets	495.0	-	381.8	-	1.30
ROE	8.0%	-	7.4%	-	-
Net assets	341.4	-	280.8	-	1.22
Equity ratio	68.5%	-	73.5%	-	-

Note: Figures in the "change" column indicate the change from the corresponding period of the previous fiscal year.