

April 21, 2004

Kuraray Co., Ltd.
Representative Director and President: Yasuaki Wakui
Stock Code: 3405
Listings: First Sections of the Tokyo
and Osaka Stock Exchanges
Inquiries: Kohei Maeda, General Manager,
Office of Public Relations
Tel: 03-3277-3100

**Notice Concerning Revision of Full-Term Forecasts
and Projected Non-Consolidated Extraordinary Loss**

Kuraray Co., Ltd. today announced revisions to its full-term forecasts for the fiscal year ended March 31, 2004, announced on November 12, 2003, and projected non-consolidated extraordinary loss, in line with recent trends in performance.

1. Revisions to forecasts of consolidated performance for fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)

(¥ million, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
Initial forecast (A) (Announced November 12, 2003)	330,000	29,000	26,500	15,000
Revised forecast (B)	332,000	28,000	24,500	15,000
Change (B – A)	+2,000	-1,000	-2,000	—
Percentage change	+0.6%	-3.4%	-7.5%	—
Performance for the previous fiscal year	322,523	25,186	22,402	8,051

2. Revisions to forecasts of non-consolidated performance for the fiscal year ended March 31, 2004 (April 1, 2003 – March 31, 2004)

(¥ million, %)

	Net Sales	Operating Income	Ordinary Income	Net Income
Initial forecast (A) (Announced November 12, 2003)	190,000	14,500	15,000	8,500
Revised forecast (B)	191,700	14,400	14,400	6,500
Change (B – A)	+1,700	-100	-600	-2,000
Percentage change	+0.9%	-0.7%	-4.0%	-23.5%
Performance for the previous fiscal year	196,743	13,038	14,594	4,447

3. Reasons for revisions and principal factors contributing to non-consolidated extraordinary loss

(1) Reasons for revisions

Despite steady sales growth, primarily in chemical products and resins, for the fiscal year ended March 31, 2004, Kuraray has decided to revise its consolidated full-year forecasts to reflect the weak earnings from sales of opto-screens, the sharp increase in the price of raw materials and fuels, and the appreciation of the yen.

Forecasts of non-consolidated performance for the fiscal year ended March 31, 2004 are identified separately in this document. The projected extraordinary loss, which is mentioned below, has been integrated into revised forecasts.

(2) Principal factors behind projected extraordinary loss

The Company is expecting to post an extraordinary loss (non-consolidated) for the fiscal year ended March 31, 2004, in connection the loss on revaluation of stock in subsidiaries of approximately ¥2.9 billion.

Note: The forecasts above are based on data available at the time of publication. Actual performance may differ substantially as a result of subsequent events. Kuraray expects to announce actual performance for the full year ended March 31, 2004 on May 12, 2004.