

August 3, 2005

Kuraray Co., Ltd.

Notice of the Dissolution of a Subsidiary

At a meeting of the Board of Directors of Kuraray Co., Ltd. held August 3, 2005, it was decided to dissolve Kuraray consolidated subsidiary Kuraray Finance Europe B. V. (Holland).

1. The consolidated subsidiary

Company name: Kuraray Finance Europe B. V.

Address: Strawinskylaan 3105 7E ETAGE, 1077ZX Amsterdam, The Netherlands

President: Mitsuaki Manabe

Established: December 10, 1996

Capitalization: 317,646.15 euros

End of fiscal year: December

Principal shareholders: Kuraray Co., Ltd., 100%

Business activities: Financing operations for the Kuraray Group in Europe

2. Reason for dissolution

This subsidiary had accomplished the purposes for which it was established, and no future role is anticipated.

3. Schedule

August 2005: Resolution for dissolution

November 2005: Liquidation complete

4. Effect on performance

The dissolution of this subsidiary will have no effect on the consolidated performance of Kuraray Co., Ltd.