

June 20, 2007

Notice Concerning Shelf Registration for Issuance of Stock Purchase Warrants

Kuraray Co., Ltd. (the “Company”) announces that the Company has decided, at the meeting of its Board of Directors held today, to file a shelf registration statement for possible issuances of stock purchase warrants outlined below:

1. Type of Securities

Stock purchase warrants

2. Scheduled Issuance Period

Until the date 2 years after the scheduled effective date of the shelf registration (July 2007 to July 2009)

3. Method of Offering

Allotments to shareholders

4. Allowable Issuance Amount

¥400 million

(Aggregate of (i) total issue price of the stock purchase warrants (zero yen) and (ii) total amount to be paid upon exercise of the stock purchase warrants)

Countermeasures (takeover defense) in response to a large-scale purchase of Kuraray shares (the “Plan”), the introduction of which were decided at the Board of Directors’ meeting held on April 26, 2007, have been approved by a majority of voting rights of the shareholders present at the Company’s Ordinary Shareholders’ Meeting held today and have become effective as of today.

The Plan prescribes that a countermeasure will be implemented in case a Large-scale Share Purchaser refuses the Company’s request to provide sufficient information and an adequate period of time for examining such information or in case a Large-scale Share Purchase in question may materially damage the Company’s corporate value or the shareholders’ common interests. The shelf registration described herein will enable the Company to effectively and flexibly issue stock purchase warrants as a countermeasure implemented in such cases.

For details of the Plan, please refer to the News Release dated April 26, 2007 titled “Introduction of Countermeasures (Takeover Defense) in Response to a Large-Scale Purchase of Kuraray Shares (Summary)” available on the Company’s website: http://www.kuraray.co.jp/en/release/2007/070426_01.html.