

**Proposal No. 2: Partial Amendment to the Articles of Incorporation**

Kuraray Co., Ltd. (hereafter “Kuraray” or “the Company”) today announced its decision to submit a matter concerning the partial amendment to its Articles of Incorporation to the 127th Ordinary General Meeting of Shareholders held on June 19, 2008.

**1. The reason for the amendment**

The Company proposes to establish a new provision in the Articles of Incorporation (proposed new Article 29) to the effect that the Company may enter into a liability limitation agreement with Outside Directors for the purpose of enabling the Company constantly in the future to secure competent personnel as Outside Directors and to induce Outside Directors to fully perform expected roles.

Each of Corporate Auditors has given prior consent to this Proposal.

**2. Details of the amendment**

Details of the proposed amendment are as follow.

(The underlined portions are to be amended)

Present articles	Proposed amendment
Chapter 4 Directors and Board of Directors <New article>	Chapter 4 Directors and Board of Directors <u>Article 29 (Contract for Limitation of Liability with Outside Directors)</u> <u>Pursuant to Article 427, Paragraph 1 of the Corporation Law, the Company may enter into an agreement with Outside Directors to limit liabilities for damages caused by negligence of their duties; provided, however, that the limit of liabilities under the said agreement shall be the amount provided for in law.</u>
<u>Article 29</u> ~ <u>Article 39</u> <Omitted>	<u>Article 30</u> ~ <Not amended> <u>Article 40</u>

**3. Schedule**

Date of the General Meeting of Shareholders to approve the amendment to the Articles of Incorporation: Thursday, June 19, 2008

Effective date of the amendment: Thursday, June 19, 2008