

January 28, 2011

Company name: Kuraray Co., Ltd.  
Representative: Fumio Ito  
Representative Director and President  
Securities code No.: 3405  
Listings: First Section, Tokyo Stock Exchange  
Inquiries: Morihiro Nakayama, General Manager  
Corporate Management Planning  
Office, Corporate Communications  
Department

Company name: Noritake Co., Limited  
Representative: Hitoshi Tanemura, President  
Securities code No.: 5331  
Listings: First Section, Tokyo Stock Exchange,  
Nagoya Stock Exchange  
Inquiries: Naohide Noda, General Manager,  
Public Relations Department,  
Corporate Administration Group

## **Notice Concerning the Integration of Dental Materials Businesses**

Kuraray Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Fumio Ito; “Kuraray”) and Noritake Co., Limited (Headquarters: Nagoya City, Aichi Prefecture; President: Hitoshi Tanemura; “Noritake”) today announced a basic agreement regarding the integration of the dental materials businesses of their respective wholly owned subsidiaries Kuraray Medical Inc. (Headquarters: Chiyoda-ku, Tokyo; President: Sadaaki Matsuyama; “Kuraray Medical”) and Noritake Dental Supply Co., Limited (Headquarters: Nagoya City, Aichi Prefecture; President: Kouzo Yamada; “Noritake Dental Supply”).

In accordance with this basic agreement, both Kuraray and Noritake will file the notification with the Japan Fair Trade Commission under Antitrust Act and thereafter establish a holding company in April 2011. Under this new holding company, the two companies will promote the business integration of the relevant subsidiaries, and plan to integrate the holding company, Kuraray Medical and Noritake Dental Supply on April 1, 2012.

In connection with the integration, Kuraray Medical will separate its business except for the dental materials business and Kuraray will take over the separated business on April 1, 2011.

### **1. Background and Purpose of the Business Integration**

In Japan, the growth potential of the dental material business has lessened due to a declining population and efforts to restrain medical costs; therefore, it has become increasingly necessary to invigorate the domestic market while strengthening overseas sales.

Given the circumstances, Kuraray Medical and Noritake Dental Supply are fully aware that they have a number of issues in common, namely, a need to

establish a stronger presence in both the domestic and overseas markets as well as to promote the replacement of metal, which are widely used around the world.

To that end, the two companies have discussed business integration with the aim of generating a synergy effect from the establishment of a business alliance in the areas of development, production and sales in order to increase their market presence both in Japan and overseas.

Kuraray Medical and Noritake Dental Supply core products and strengths are as follows:

	Core products	Strength
Kuraray Medical Inc. (Dental Materials business)	Bonding agents, fillings, facing resin for crown and bridges	<ul style="list-style-type: none"> <li>• Top share of market for bonding agents and fillings in the Japanese market (approximately 40%)</li> <li>• Strength in dental materials based on polymer synthesis technology and organic synthesis technology</li> </ul>
Noritake Dental Supply Co., Limited	Ceramics for crowns, dental plaster, CAD/CAM devices	<ul style="list-style-type: none"> <li>• Top share of market for ceramics for crowns (for porcelain fused to metal) in the Japanese market (approximately 40%). Also exporting products to approximately 90 countries and have gained high shares in overseas markets</li> <li>• Strong product lineup and development capabilities based on ceramics technology</li> </ul>

The integration of the two companies' distinctive businesses and technological capabilities is expected to expand the former domains of their dental materials businesses.

The business integration has been undertaken mainly for the following purposes:

- (1) Reinforcing business foundations by expanding product lineups
- (2) Creating new business fields by integrating technologies for inorganic and organic materials  
Developing new technologies including composite materials made from ceramics and resin which can substitute for metallic materials.
- (3) Strengthening and expanding distribution bases both in Japan and overseas  
Expanding sales by leveraging the two companies' sales channels

## **2. Overview of Kuraray Medical and Noritake Dental Supply (as of March 31, 2010)**

(1) Company name	Kuraray Medical Inc.	Noritake Dental Supply Co., Limited
(2) Location	1621 Sakazu, Kurashiki City, Okayama Prefecture	1-36, 3-Chome, Noritake-shinmachi, Nishi-ku, Nagoya City, Aichi Prefecture
(3) Representative	Sadaaki Matsuyama, President	Kouzo Yamada, President (Took office on June 11, 2010)

(4) Principal businesses		Development, production and sale of medical device, including dental materials	Development, production and sales of ceramics for crowns, dental plaster and CAD/CAM devices*
(5) Capital		¥300 million	¥80 million
(6) Establishment		June 21, 2001	April 1, 1998
(7) Major shareholders and their holdings		Kuraray Co., Ltd. 100%	Noritake Co., Limited 100%
(8) Relationship between the listed companies and relevant companies	Shareholders' equity	Kuraray Medical is Kuraray's wholly owned subsidiary.	Noritake Dental Supply is Noritake's wholly owned subsidiary.
	Employees	Kuraray dispatches executives and employees to Kuraray Medical.	Noritake dispatches executives and employees to Noritake Dental Supply.
	Transactions	None	Noritake sells plasters and other products to Noritake Dental Supply.

(9) Performance over the past three years (Millions of yen unless otherwise stated)

Kuraray Medical Inc.

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Net assets	5,774	6,367	6,715
Total assets	9,168	9,689	10,677
Net assets per share (yen)	7,217,289.35	7,959,647.32	8,394,694.37
Net sales	9,652	6,963	5,898
Operating income	1,668	1,114	692
Ordinary income	1,579	1,087	681
Net income	158	640	540
Net income per share (yen)	198,656.89	800,708.05	675,146.12
Dividends per share (yen)	58,500	240,000	202,500

Noritake Dental Supply Co., Limited

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Net assets	787	900	981
Total assets	1,313	1,273	1,246
Net assets per share (yen)	491,964.89	562,672.96	613,316.03
Net sales	2,898	3,097	2,715
Operating income	364	309	185
Ordinary income	359	325	196
Net income	188	193	131
Net income per share (yen)	117,673.74	120,708.07	81,893.06
Dividends per share (yen)	25,000	50,000	31,250

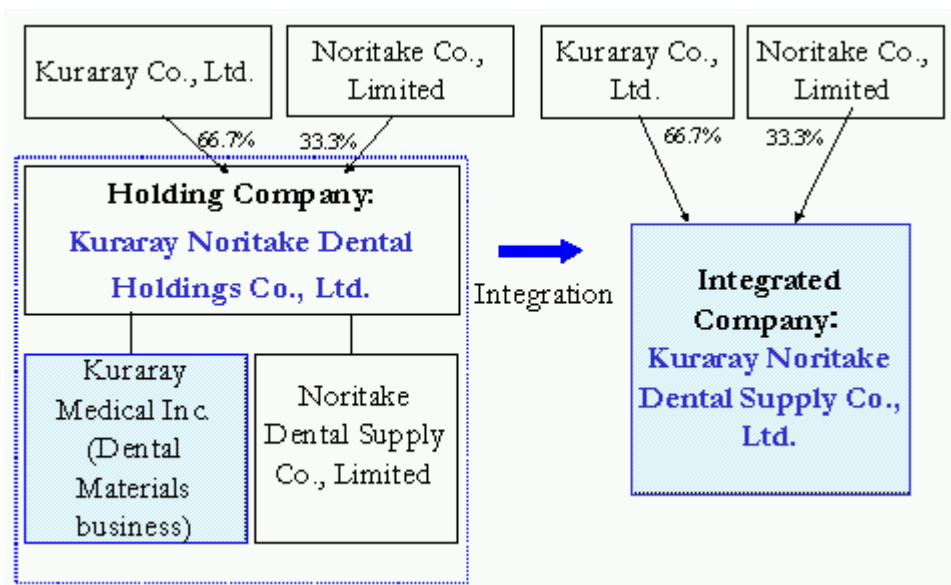
### 3. Overview of the Holding Company

(1) Company name	Kuraray Noritake Dental Holdings Co., Ltd.
(2) Location	1-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo
(3) Representative	To be determined (Kuraray Medical's President will take office as the President of Kuraray Noritake Dental Holdings)
(4) Principal businesses	Management of subsidiaries and related works
(5) Capital	¥5 million
(6) Shareholding ratio	Kuraray Co., Ltd. 66.7%; Noritake Co., Limited 33.3%
(7) Net assets	-
(8) Total assets	-
(9) Fiscal year-end	March 31

### 4. Process and Schedule of Business Integration

First Step: On April 1, 2011, a company holding all shares of Kuraray Medical and Noritake Dental Supply will be established.

Second Step: Kuraray Medical, Noritake Dental Supply and the holding company will merge by April 1, 2012



### 5. Outlook

Kuraray Medical, Noritake Dental Supply and the holding company will merge by April 1, 2012 in pursuit of realizing better synergy effects. The merging company will change its name to Kuraray Noritake Dental Supply Co., Ltd.