

## Notice Concerning Taking over a Part of a Consolidated Subsidiary's Business

Kuraray announces its decision to take over a part of the business that will be separated from its wholly owned consolidated subsidiary, Kuraray Trading Co., Ltd. (hereinafter "Kuraray Trading"), as of June 1, 2013.

### 1. Reasons for the Separation

To enhance Groupwide business efficiency and competitiveness, Kuraray will take over Kuraray Trading's EVAL film-related business through an absorption-type split.

### 2. Overview of Separation

#### (1) Separation schedule

Board of Directors' Meeting to approve the separation agreement	April 25, 2013
Execution of the separation agreement	April 25, 2013
Date of separation (effective date)	June 1, 2013

\* Pursuant to the relevant provisions of the Companies Act, the separation will be carried out without the approval of the General Meeting of Shareholders of either company.

#### (2) Method of separation

Kuraray Trading will separate a part of its business and Kuraray will take over a part of the business.

#### (3) Allocation of shares

Since Kuraray Trading is a wholly owned subsidiary of Kuraray, there will be no allocation of shares or issues of other compensation undertaken for the separation.

#### (4) Treatment of Kuraray Trading's share purchase warrants or bonds with share purchase warrants

Kuraray Trading has not issued share purchase warrants or bonds with share purchase warrants.

#### (5) Increase in share capital, etc.

The separation does not entail a capital increase.

(6) Rights and obligations to be taken over by Kuraray

On the effective date of the separation, Kuraray shall take over the following of Kuraray Trading's assets and other rights and obligations relating to the separated business.

Product inventory, work-in-process, fixed assets, etc.

(7) Prospect of honoring debt obligation

Kuraray believes that both companies can meet the debt obligations that will come due after the separation.

3. Overview of Kuraray and Kuraray Trading (as of March 31, 2012)

(1) Company name	Kuraray Co., Ltd.	Kuraray Trading Co., Ltd.
(2) Location	1621, Sakazu, Kurashiki City, Okayama Prefecture, Japan	5-4, Hiranomachi 2-chome, Chuo Ward, Osaka City, Japan
(3) Representative	Fumio Ito, Representative Director and President	Shiro Kataoka, Representative Director and President
(4) Principal business	Manufacture and sale of chemicals, resins, fibers, textiles, and other products	Importing and exporting, processing and sale of fibers and textiles, materials and chemical-related products, etc.
(5) Capital	88,955 million yen	2,200 million yen
(6) Date established	June 24, 1926	June 7, 1961
(7) Shares issued	382,863,603	334,000
(8) Financial year-end	March 31	March 31
(9) Major shareholders and holding ratios (as of March 31, 2012)	The Master Trust Bank of Japan, Ltd. (Trust Account) 6.12% Japan Trustee Services Bank, Ltd. (Trust Account) 5.77%	Kuraray Co., Ltd. 100%
(10) Business results and financial conditions (Units: millions of yen. Excluding items of special note.)		
Fiscal year	Kuraray Co., Ltd. (consolidated)	Kuraray Trading Co., Ltd. (non-consolidated)
	Year Ended March 31, 2012	Year Ended March 31, 2012
Net assets	366,314	16,431
Total assets	523,247	48,458
Net assets per share (yen)	1,033.48	49,194.94

Sales	368,975	111,533
Operating income	54,733	3,445
Ordinary income	53,940	3,578
Net income	31,469	2,075
Net income per share (yen)	90.35	6,214.60

- (1) Businesses to be taken over by Kuraray  
EVAL film-related business

- (2) Results of the businesses to be taken over (as of March 31, 2012)

	Fiscal year ended March 31, 2012 Separated business (a)	Fiscal year ended March 31, 2012 Kuraray (b)	Ratio (a ÷ b)
Net sales	¥ 5,402 million	¥368,975 million	1.46%

- (3) Assets and liabilities to be taken over (as of March 31, 2012)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥ 2 million	Current liabilities	¥ 0 million
Fixed assets	¥ 0 million	Fixed liabilities	¥ 0 million
Total	¥ 2 million	Total	¥ 0 million

- (4) Status of the successor company

- (1) Company name           KURARAY CO., LTD.  
(2) Registered office       Sakazu 1621, Kurashiki City, Okayama Prefecture, Japan  
(3) Representative          Fumio Ito, Representative Director and President  
(4) Principal business      Manufacture and sale of chemicals and resins, fibers, textiles  
and other materials  
(5) Capital                    ¥88.95 billion  
(6) Financial year-end      March 31

- (5) Outlook

Kuraray expects the separation to have no material effect on either its consolidated or non-consolidated performance.