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Kurashiki Plant

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Saijo Plant

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Okayama Plant

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Niigata Plant

2-28, Kurashiki-cho, Tainai, Niigata 959-2691, Japan
TEL +81-254-43-2521 FAX +81-254-43-2864

Kashima Plant

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Kuraray America, Inc. (subsidiary in U.S.A.)

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Kuraray Europe GmbH (subsidiary in Germany)

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Kuraray Asia Pacific Pte. Ltd. (subsidiary in Singapore)

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Kuraray (China) Co., Ltd. (subsidiary in China)

Unit 2207, 2 Grand Gateway, 3 Hongqiao Road, Xuhui District, Shanghai 200030, China
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Kuraray India Private Limited (subsidiary in India)

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Kuraray South America Representações Ltda. (subsidiary in Brazil)

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Official website

<http://www.kuraray.co.jp/en/>



kuraray

KURARAY GROUP CORPORATE SKETCH

[Corporate Mission]

We in the Kuraray Group are committed to opening new fields of business using pioneering technology and contributing to an improved natural environment and quality of life.

In order to make today better than yesterday, and tomorrow better than today, we at Kuraray have made completely new and inimitable things harnessing the power of chemistry.

Many industries and people around the world now choose Kuraray's technologies, products, and services.

We take pride in this fact, and are deeply grateful to our customers around the world for making this possible.

Since our founding, we have valued the pioneering spirit.

We continually ask ourselves what we can do for the world of tomorrow and the people living in it.

This is part of our unique corporate culture that states, "Contributing to the world and individual well-being through actions that others are unable to produce."

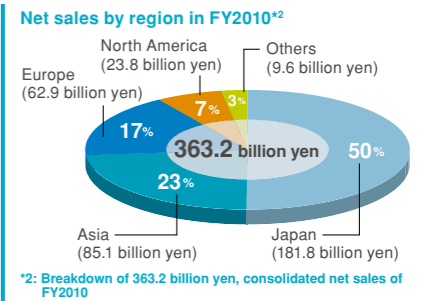
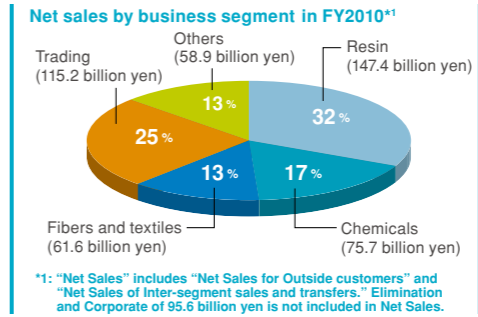
We still maintain this culture firmly today. It is Kuraray's value and our driving force.

We continue to cultivate our unique traits, in order to benefit society and the environment.

Our goal is continual corporate growth, and we have already taken the next step forward.

Overview

Name: KURARAY CO., LTD.
President: Fumio Ito
 Representative Director and President
Established: June 24, 1926
Capital: 89 billion yen (as of March 31, 2011)
Employees: 6,544 (consolidated, as of March 31, 2011)
Net sales: 363.2 billion yen (consolidated, FY2010)
Major overseas bases: U.S.A., Germany, Belgium, China, Singapore



* In this report, italicized product names are trademarks of the Kuraray Group.
 * Amounts are rounded to the nearest hundred-million.

History

- 1926**
 - Kurashiki Kenshoku Co. Ltd. established
- 1928**
 - Production of rayon filament started at Kurashiki Plant (production ceased in 2001)
- 1940**
 - Chugoku Sangyo Co., Ltd. (now Kuraray Chemical Co., Ltd.) established
- 1943**
 - Acquired shares of Kakuichi Rubber Co., Ltd. (now Kuraray Plastics Co., Ltd.)
- 1949**
 - Company name changed to Kurashiki Rayon Co., Ltd.
- 1950**
 - **KURALON (PVA fiber) commercialized:**
 production of poval started at Toyama Plant
 production of **KURALON** started at Okayama Plant
- 1958**
 - **Poval commercialized: production of poval for market sales started**
- 1960**
 - Acquired shares of Kyowa Gas Chemical Co., Ltd., which conducts methacrylic resin business
- 1961**
 - Osaka Goseihin Co., Ltd. (now Kuraray Trading Co., Ltd.) established
- 1962**
 - Production of poval film started at Saijo Plant
- 1963**
 - **Concluded a contract to export the poval - PVA fiber production plant to China**
- 1964**
 - **Polyester commercialized:**
 production of polyester staple fiber started at Tamashima Plant
 - Hook and loop fasteners commercialized
 - **CLARINO commercialized:**
 production of **CLARINO** (man-made leather) started at Kurashiki Plant
- 1969**
 - Production of polyester filament started at Saijo Plant
- 1970**
 - **Company name changed to current KURARAY CO., LTD.**
- 1972**
 - **EVAL commercialized: production of EVAL resin started at Okayama Plant**
 - Non-woven fabrics commercialized:
 production of **KURAFLEX** (dry-laid non-woven fabric) started at Okayama Plant
 - **Isoprene chemicals commercialized:**
 production of polyisoprene rubber started at Kashima Plant
- 1978**
 - Dental materials commercialized: sales of **CLEARFIL** (adhesive dental filler) started
 - Concluded a contract to export the man-made leather plant to China
- 1983**
 - Cement reinforcing **KURALON** developed:
 export contract with Swiss company Eternit
- 1986**
 - **Production of EVAL resin started at Eval Company of America (U.S.A.)**
- 1989**
 - Merged with Kyowa Gas Chemical Co., Ltd.
- 1990**
 - Production of **VECTRAN** (high-strength polyarylate fiber) started at Saijo Plant
 - **SEPTON (thermoplastic elastomer) commercialized:**
 production of **SEPTON** started at Kashima Plant
- 1991**
 - Eval Company of America became a wholly owned subsidiary
 - Philanthropy and Ecology Committee established:
 social contribution and environmental efforts strengthened
- 1998**
 - Commercial production of **KURALON K-II** (new type of PVA fiber) started at Okayama Plant
- 1999**
 - **Production of poval started at Poval Asia Pte Ltd., joint venture in Singapore**
 - **Production of GENESTAR (heat-resistant polyamide resin) started at Saijo Plant**
 - **Production of EVAL resin started at EVAL Europe N.V. (Belgium)**
- 2001**
 - **Acquired PVA-related business of Clariant AG, and Kuraray Specialities Europe GmbH (Germany) started the business**
- 2002**
 - **Production of SEPTON started at SEPTON Company of America (U.S.A.)**
- 2004**
 - **Acquired PVB film business of HT Troplast AG, and Kuraray Specialities Europe GmbH (Germany) started the business**
- 2006**
 - Kuraray Europe GmbH merged with Kuraray Specialities Europe GmbH
- 2008**
 - Kuraray America, Inc. merged with Eval Company of America and SEPTON Company of America
 - Acquired all outstanding shares of Poval Asia Pte Ltd. to establish Kuraray Asia Pacific Pte. Ltd.

1950 KURALON

We have cultivated new markets for synthetic fibers using Japanese unique technology for over 60 years



1958 Poval

Kuraray was the world's first to successfully industrialize a synthetic resin as a raw material for **KURALON** (PVA fiber)



1962

Optical-use poval film
 We boast the world's largest market share in polarized film material for LCDs



1964 CLARINO

This pioneering man-made leather reproduces the fine-grained structure of natural leather and provides unique performance



1972 EVAL

Kuraray was the world's first to successfully industrialize high gas-barrier EVOH resin



1990 SEPTON

Thermoplastic elastomer developed using our unique technology



1999 GENESTAR

A completely new polyamide engineering plastic developed from monomer raw materials using proprietary technology



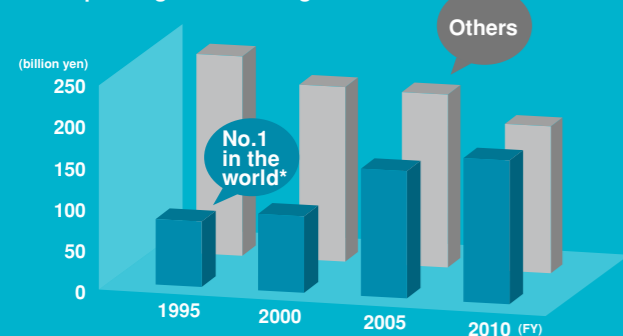
Value 1 Our Insistence on Being Number One and the Only One in the World

See the Products section on the Kuraray website for details.
<http://www.kuraray.co.jp/en/products/>

Our commitment to creativity has created a long line of products. We benefit society by "actions that others are unable to produce."

We at Kuraray have used our unique technical strengths to create products that the world had never seen before. We were the first company in the world to commercialize *KURALON*, the first synthetic fiber produced using made-in-Japan technology. Other businesses we have created include Poval resin, which is a raw material of *KURALON*; Poval film, which is essential for LCDs; *EVAL*, which features an excellent gas barrier; and a lineup of the world's only synthetic isoprene chemical products. We have also launched a wide range of products that are a part of people's lives, such as *CLARINO* (man-made leather), which recreates the structure of natural leather, and *MAGIC TAPE* (hook-and-loop fastener). The world-leading businesses* that we have created using our unique technologies account for about half of the group's total sales.

Expanding world-leading businesses*



* "World-leading businesses" "No.1 in the world" are businesses that have the world's top market share, or are the world's only business in their category. (in-house survey)

PVA resin related products

KURARAY POVAL / MOWIOL (PVA resin)

World's first industrial product

Poval resin was industrialized as a raw material for synthetic fiber *KURALON*. It has a number of advantages: it is water soluble, easy to form into film, adhesive, emulsifiable, and oil and chemical resistant, among others. It is used in a wide range of applications, including as a paper processing agent, adhesive, and polymer stabilizer for vinyl chloride resins.



MOWITAL (PVB resin) / TROSIFOL (PVB film)

MOWITAL is a functional resin created from poval. It has excellent adhesive strength and transparency; it is used as a binder in inks and fine ceramics, among other applications. *TROSIFOL* is an interlayer film for glass. It has a large share in the construction market, and its use is expanding in automobiles and solar-cell panels.



Optical-use poval film

World's first industrial product

This product has a large share in the world market as a base film for polarized film, which is an essential component of LCD screens in large flat-screen televisions, as well as monitors, computers, mobile phones, and more.



EVAL (EVOH resin)

World's first industrial product



EVAL provides excellent barrier properties against the permeation of gases, superior to those of any other plastics. It is used widely in food packaging materials to block out oxygen and preserves the flavor and quality of foods. It is also adopted in automotive plastic fuel tanks, as it has a highly effective barrier against fuel vapor permeation. It is being used increasingly in a wide variety of applications, such as vacuum insulation panels for large refrigerators, in order to improve energy efficiency.

Isoprene Products

SEPTON (thermoplastic elastomer)

SEPTON is a styrenic thermoplastic elastomer that has excellent moldability and superior recyclability. Its areas of application are expanding in a wide range of fields with the need for higher performance in automobiles, home appliances, and household products.



Isoprene chemicals

We apply our unique synthesizing technologies to produce a cleaner MMB that is highly safe and easy to handle, as well as diols, aroma chemical and cosmetic ingredients, pharmaceutical and agrichemical intermediates, and more.

* One-of-a-kind products derived from synthetic isoprene (MMB, MPD, etc...)



GENESTAR (heat-resistant polyamide resin)

World's first industrial product



GENESTAR is a new heat-resistant polyamide resin created by our proprietary technologies. It is used in electronic parts of mobile phones, computers, and the like, and its application is growing in backlights for LED liquid-crystal TV sets and the automotive field as well.

* PA9T, the only industrialized resin in the world

Fibers and textiles

KURALON/KURALON K-II (PVA fiber)

World's first industrial product

KURALON is a synthetic fiber based on polyvinyl alcohol (PVA) with several unique properties, including high tenacity, low elongation at break, and hydrophilicity. It is widely used for various industrial applications, such as cement reinforcement to replace asbestos and as separator for alkaline manganese batteries. *KURALON K-II* is another polyvinyl alcohol (PVA) fiber made by new production technologies. Water soluble fibers with different dissolving temperature and high tenacity fibers can be obtained.



CLARINO (man-made leather)

World's first industrial product

CLARINO is a man-made leather that combines the fine-grained structure learned from natural leather with high functionality. It is used for school bags and other bags, shoes, balls, gloves, clothing, interior accessories, and more.



VECTRAN (high-strength polyarylate fiber)

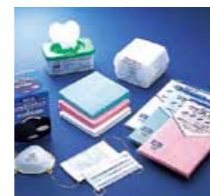
World's first industrial product

VECTRAN fiber has about 7 times the tensile strength of steel by weight and provides excellent abrasion, flex fatigue and chemical resistance, among other physical properties. It is used in a range of applications including aerospace, composites, electronic components, ropes, and sports.



KURAFLEX (non-woven fabric)

KURAFLEX is non-woven fabric with excellent features: water absorbency, air permeability, and softness. It is used in a wide range of products, such as wiping cloths, plasters, filters and more.



MAGIC TAPE (hook and loop fastener)

MAGIC TAPE fastens firmly with only a light press. It is used in a wide range of fields, from clothing, shoes, bags, and medical products to automotive parts and other industrial materials.



Polyester

Applying proprietary polymers and state-of-the-art technology, we have been actively developing distinctive polyester fibers. Our fibers are used in clothing, industrial materials, non-wovens and other fields.



Medical, methacryl and other products

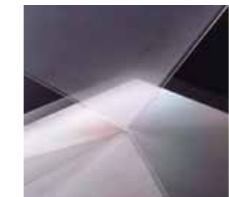
Dental materials

We have developed and marketed a number of dental materials, such as the high-quality and well-known brand *CLEARFIL* and *PANAVIA*. We are expanding our business internationally, as part of our effort to contribute to an aesthetic and adhesive dentistry based on our unique technology.



Methacrylic resin

Taking advantage of features such as transparency, weather resistance, gloss, and abrasion resistance, this resin is used in a wide range of fields, including auto parts, optical components, light electrical appliances, and sundries. It has recently gained a large share of the market such as for LCD light-guide plates and optical components.



KURARITY (Acrylic Thermoplastic Elastomer)

World's first industrial product

A unique material offering transparency, elasticity and the like. We were the first in the world to succeed in commercializing this material using proprietary Kuraray technologies. The market roll-out in the field of optical and molding materials utilizing these characteristics is very promising.



Water treatment filters

Kuraray Super Fine hollow-fiber membranes with pore sizes of less than 1.0 micron, provide precision separation of particles from water and other liquids. These filtration products are used in the brewing of refined sake and other manufacturing processes, water purification, wastewater treatment, and the production of ultrapure water, which is essential for various high-tech applications including the semiconductor industry.



KURARAY COAL (activated carbon)

KURARAY COAL is an activated carbon with growing demand in the markets for evaporated gasoline adsorbents, water filters, capacitor electrode materials, water treatment, and other environmental applications. We are able to meet sophisticated needs by using our proprietary technologies to adjust the surface pore diameter and capacity.



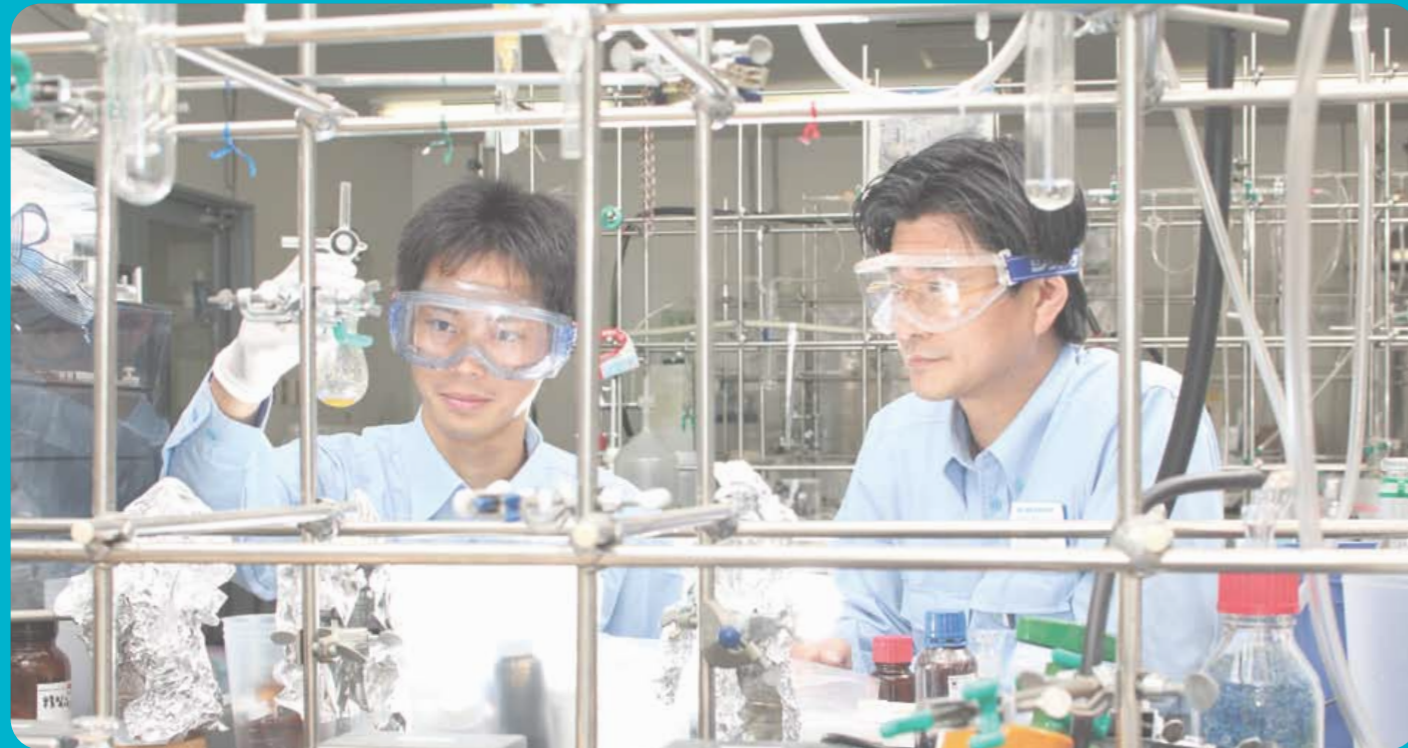
Wastewater treatment system

World's first industrial product

Using PVA-gel beads, Kuraray's proprietary high-power wastewater treatment process allows for efficient operation in a compact system. Unlike conventional activated sludge, this unique system yields almost no excess organic sludge, resulting in reduced operational costs.



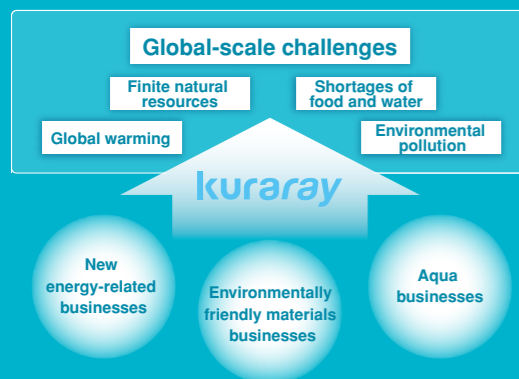
Value 2 R&D and Development of Production Technology



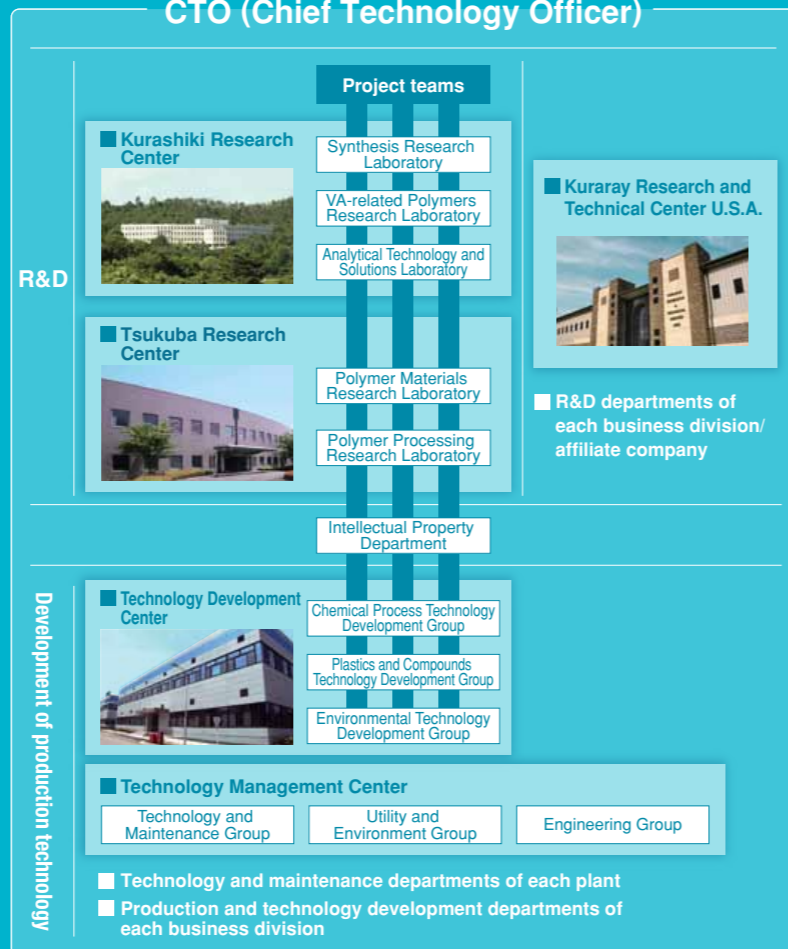
Creative Technology Development R&D in the Kuraray Group

From a base of polymer and synthetic chemistry, the Kuraray Group has built a unique and advanced structure of technologies by fusing related technologies and expertise. Our Chief Technology Officer (CTO) brings together the group's knowledge and people, leading our efforts in the materials field, as well as our commitment to offering new things that are demanded by the market, in partnership with external institutions.

Today we face a number of global-scale challenges, including global warming, finite natural resources, shortages of food and water, and environmental pollution. At the Kuraray Group, we are committed to continued growth through the creation and expansion of new businesses that offer effective solutions to these challenges through our unique technologies.



CTO (Chief Technology Officer)



Value 3 Globalization



Building a global network

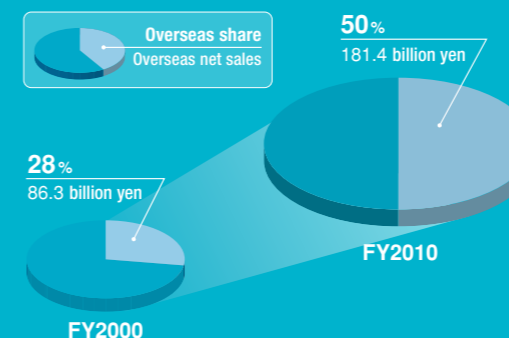
In 1986, we began local production of *EVAL* at a joint venture in the United States. Since then, we have expanded our local production and sales around the world, in order to respond to a growing global market. Our network has now grown to 39 locations in 16 countries and regions outside Japan. We are leveraging our creative technologies to expand our businesses internationally, under a policy of producing in the optimal location and marketing in the optimal location. We have also built our own global sales network, and overseas sales now account for about half of our net sales.



Accelerating our global strategy

We continue to work to expand our markets based on the family of products developed by the Kuraray Group using our unique technologies, looking for new undiscovered needs anywhere in the world. We are also improving our international competitiveness by approaching existing uncultivated markets.

Overseas share of consolidated net sales



Major overseas subsidiaries

| Region | Subsidiary | Country |
|----------|---|-------------------|
| Americas | Kuraray America, Inc. | (U.S.A.) |
| | Kuraray South America Representações Ltda. | (Brazil) |
| Europe | Kuraray Europe GmbH | (Germany) |
| | EVAL Europe N.V. | (Belgium) |
| | OOO TROSIFOL | (Russia) |
| | Kuraray Nordic Ab Oy | (Finland) |
| Asia | Kuraray China Co., Ltd. | (China) |
| | Kuraray (Shanghai) Co., Ltd. | (China) |
| | Kuraray Magictape (Shanghai) Co., Ltd. | (China) |
| | Kuraray Methacrylate (Zhang Jia Gang) Co., Ltd. | (China) |
| | Kuraray Chemical (Ningxia) Environmental Industry Co., Ltd. | (China) |
| | Hexin Kuraray Micro Fiber Leather (Jiaxing) Co., Ltd. | (China) |
| | Kuraray Trading (Shanghai) Co., Ltd. | (China) |
| | Kuraray Hong Kong Co., Ltd. | (China) |
| | Kuraray Asia Pacific Pte. Ltd. | (Singapore) |
| | Kuraray India Private Limited | (India) |
| | Kuraray Dental Italia S.r.l. | (Italy) |
| | Kuraray Dental Benelux B.V. | (The Netherlands) |

★ Overseas subsidiaries with regional management/manufacturing functions
 ■ Overseas subsidiaries with manufacturing function