

Kuraray Asia Pacific Established

Kuraray Asia Pacific Pte. Ltd. was established on July 1, 2008, as a hub for Kuraray Group activities in the Asia Pacific region. The company will conduct a wide range of operations including the production and sale of polyvinyl alcohol (PVA) resin and the sale of a various chemical products including polyvinyl butyral (PVB) resin and film and related chemicals in the Asia Pacific region.

Kuraray Asia Pacific was established to advance the Group's objective to broaden operations beyond conventional general-purpose PVA resin products and promote higher value-added products to meet the increasingly sophisticated user needs. The company also expands the Group's business horizons beyond PVA resin to new businesses for PVB resin and film and related products. Kuraray Asia Pacific will serve as an operational hub for Kuraray Group and support the Group's development of the rapidly growing markets in Asia and Oceania, including China and India.



Kuraray Asia Pacific Pte. Ltd.

Overview of Kuraray Asia Pacific Pte. Ltd.

Company name:	Kuraray Asia Pacific Pte. Ltd.
Capital:	US\$27,775,000 (Kuraray 100%)
President	Shinzo Takemura
Location:	Pulau Sakra, Singapore
Business activities:	Production of PVA resin Sale of PVA resin and other Kuraray Group products in the Asia Pacific Region
Production facilities:	PVA resin production facilities: 40,000 tons/year

2008

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First Quarter

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Earthquake Relief Funds Donated to Sichuan, China

Kuraray presented a ¥5 million monetary donation to help with relief following the large earthquake that struck Sichuan Province, China.



New production facilities for resin GENESTAR



GENESTAR

Dedication Ceremony Held for the New GENESTAR Production Facility

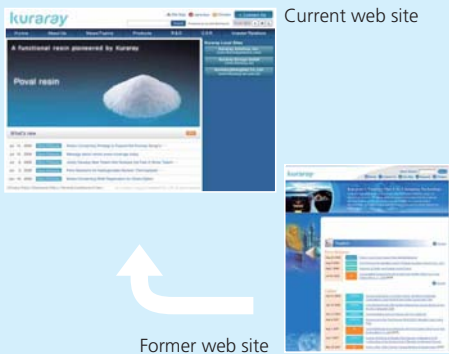
On June 4, 2008, Kuraray held a ceremony commemorating the completion of construction of new production facilities at the Kashima Plant in Kamisu City, Ibaraki Prefecture, for the heat-resistant polyamide resin GENESTAR. The new facility adds 5,500 tons of annual production output of GENESTAR.

Developed from proprietary Kuraray technologies and commercialized in 2000, the heat-resistant polyamide resin GENESTAR is receiving increased attention as a cutting-edge material enabling lead-free processes in the electric and electronic fields. In addition, it has the potential to attract increasing demand from the automobile parts manufacturing and other new fields.

	Production Facilities	Previous capacity	Expansion 2008 operation
GENESTAR	Kashima Plant		5,500
	KURARAY SAIJO CO.,LTD.	5,500	5,500
	Total	5,500	11,000
Monomer nonane-diamine	Kashima Plant	3,000	(shutdown) 7,000
	Total	3,000	7,000

Kuraray Homepage Redesigned and Enlarged

The newly designed Kuraray homepage at www.kuraray.co.jp/en/ was launched on August 21, 2008, with easier to use functions and an expanded information access. The new functionality includes scalable font sizes, categorized news and topics for easier information searches, and revised content and expanded information for investors.



Winners of the Sixth PARCASSIO Beautiful Legs Awards Announced

Kuraray announced the winners of the sixth *PARCASSIO* Beautiful Legs Award honoring women with healthy and beautiful legs. *PARCASSIO* is a premium man-made leather developed by Kuraray that enhances the features while maintaining the texture of natural leather. We advanced our tanning process technology for the material surface, enabling the achievement of subtle silhouettes that had been difficult to accomplish with natural leather while also giving the material durability that is ideally suited to shoes. The expanded possibilities for shoemaking that *PARCASSIO* offers has launched a new era of shoe design to enhance the beauty of legs.

The award and order-made *PARCASSIO* high-heel shoes were presented to actress Ryoko Hirosue, actress Asaka Seto, actress Miki Maya, and volleyball player Kaoru Sugayama.



Shoe of the recipients of the Beautiful Legs Awards



The award winners

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Dental Materials Sales Network Augmented in Europe

Kuraray and Kuraray Medical Inc. established new marketing bases in the Netherlands and Italy on July 1, 2008, to augment the dental materials sales network in Europe.

Dutch distributor made into wholly owned subsidiary

Kuraray acquired all outstanding shares of Acacia Dental Trade & Marketing, Kuraray Medical's distributor in Benelux countries, and converted the company to a wholly owned subsidiary of Kuraray Europe GmbH (KEG), Kuraray's European subsidiary. KEG assumed Acacia's local commercial rights, thereby bolstering its capabilities as the European marketing base for the Group's dental materials.

Italian subsidiary established

The Company established and launched activities at Kuraray Dental Italia S.r.l., a new wholly owned subsidiary of KEG, for marketing and technical services in Italy. Kuraray Medical terminated its agreement with its previous distributor in the country, and KEG began conducting direct sales in Italy in January 2009.

Kuraray Medical's core business is developing and marketing dental materials with focus on dental fillings and adhesives that are natural looking and durable. In recent years, Kuraray Medical has been leveraging its high level of expertise, honed in the demanding Japanese market, to drive its global business expansion. In the three years (FY2005-2007), Kuraray Medical has increased the overseas sales share of its dental materials business from 52% to 60%.

India Subsidiary Established

Kuraray established a subsidiary company in India to meet the accelerating development of the local market.

Company name:	Kuraray India Private Limited
Location:	Saket, New Delhi, India
Representative:	Shinichi Sato
Capital:	72 million rupees (Kuraray 100%)
Establishment:	September 19, 2008
Business activities:	Market development and sales of Kuraray Group products in India



PVB Resin-Related Intellectual Property Acquired

Kuraray Europe GmbH (KEG) entered into a contract to acquire PVB resin-related intellectual property from a subsidiary of German chemical maker Wacker Chemie AG. Under the contract, KEG will acquire patents, technical expertise, and brand name usage for its core PVB resin operation.

Intellectual property acquired:

1. Manufacturing and application patents for specialized PVB resins
2. Technical expertise for the manufacture and use of specialized PVB resins
3. The PIOLOFORM brand of PVB resins

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Third Quarter

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KURALON Fiber Manufacturing Facilities Completed and Commenced Operations

Kuraray completed the expansion construction and commenced operations at the Okayama Plant in December 2008. Production capacity was increased by 5,000 tons annually, raising the plant's *KURALON* (PVA fiber) production capacity to 40,000 tons annually.

With regulations worldwide coming into force limiting the use of asbestos, demand is growing for *KURALON* fiber-reinforced cement (FRC) materials for use as a building materials, such as for residential roofing. In addition to the existing markets centered on Western Europe and Japan, the market for *KURALON* is expected to expand substantially in Eastern Europe, Asia, and Central and South America.



Roofs and walls using *KURALON*

Kuraray Group Marketing Base Established in Northern Europe

Kuraray Europe GmbH (KEG) established a new subsidiary in Finland to reinforce the Group network in Europe and accelerate market development in Eastern Europe.

Company name:	Kuraray Nordic Ab Oy
Location:	Vantaa (Helsinki), Finland
Representative:	Keijo Oksanen
Capital:	€50 thousand (KEG 100%)
Establishment:	December 19, 2008
Business activities:	Marketing development and sales of Kuraray Group products in Northern Europe



Kuraray Selected as One of the Global 100 Most Sustainable Corporations in the World for the Fifth Consecutive Year

The Global 100 Most Sustainable Corporations in the World are selected by Canadian publisher Corporate Knights Inc. from approximately 1,800 leading corporations worldwide based on evaluations conducted by the U.S. investment research firm Innovest Strategic Value Advisors Inc. in such areas as environmental, social and corporate governance activities. Kuraray has been selected as one of the Global 100 Most Sustainable Corporations in the World in each of the five years of the existence of the list. Kuraray's continued selection to the list of the most sustainable large corporations in the world is in recognition of the Company's long-established balance of environmental, social, and corporate governance activities along with its commitment to corporate sustainability.



Global 100 logo

2009

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Fourth Quarter

Kuraray Supports the Tetsuya Utsumi School Bag Foundation

Kuraray is a prominent supporter of the Tetsuya Utsumi School Bag (Randoseru) Foundation established by Yomiuri Giants, one of the Japanese Major League baseball team, pitcher Tetsuya Utsumi. Utsumi has pledged to donate one new school bag for each strikeout he records during the baseball season to children living in orphanages in the cities of Tokyo and Kawasaki who will be entering elementary school in the coming year. Kuraray, whose man-made leather *CLARINO* is widely used in the sturdy school bags, is supporting the philanthropic effort through special negotiations with manufacturers of the bags, assistance in the distribution, and other related activities.

Note: At a special ceremony to announce the establishment of the Tetsuya Utsumi School Bag Foundation in January 2009, Utsumi presented school bags to seven children entering elementary school in the spring.



Kuraray Receives Minister's Award at the 18th Global Environment Awards

At the Fujisankei Communications Group's 18th Global Environment Awards, Kuraray was honored with the Minister's Award from the Ministry of Education, Culture, Sports, Science and Technology for its contribution to environmental preservation through the development of a highly effective wastewater treatment system that has been highly acclaimed for its water purification and excess sludge reduction technology. The Kuraray Group is actively developing technologies and systems designed to address environmental issues, and the Minister's Award is a recognition of the advances we have achieved.



The Kuraray Saijo Plant's wastewater treatment facility utilizes the system