



KURARAY FY2005 Earnings Presentation

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President



KURARAY CO.,LTD.

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FY2005 Overview

(billion yen)

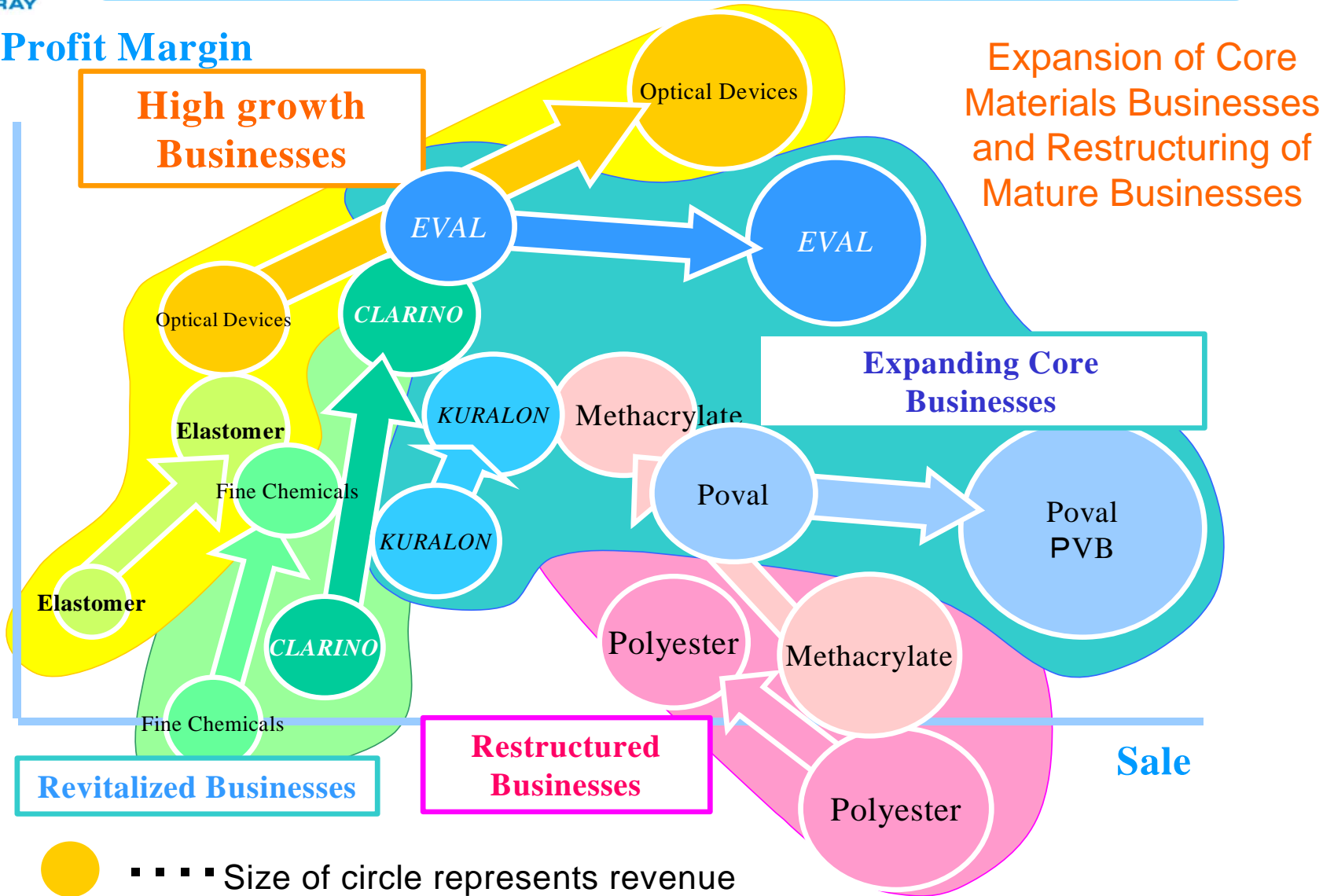
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	「G-21」 Target
Net Sales	313.7	305.9	322.5	332.1	354.9	375.1	400.0
Gross Profit	78.8	77.7	91.9	95.9	100.8	108.8	—
Gross Profit Margin	25.1%	25.4%	28.5%	28.9%	28.4%	29.0%	—
Operating Income	19.9	19.0	25.2	28.0	33.2	38.3	40.0
Operating Income Ratio	6.3%	6.2%	7.8%	8.4%	9.4%	10.2%	10.0%
ROA	3.9%	3.8%	5.5%	6.7%	7.6%	8.2%	Over 8%

「G-21」



Business Portfolio

Profit Margin



● ■■■ Size of circle represents revenue
 FY00⇒FY05



Assets Portfolio

Compression of Non-business Assets and Enlargement of Business Assets (billion yen)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
Inventory (no. of month)	75.5 (2.9)	71.2 (2.8)	63.5 (2.4)	61.9 (2.2)	64.2 (2.2)	69.4 (2.2)
tangible and Intangible Fixed Assets(Excluding land)	103.9	141.9	142.3	149.9	175.9	174.4
Financial Assets	182.4	126.5	87.5	77.5	85.9	99.9
Total Assets	512.5	487.4	426.9	413.2	454.9	481.4
Total Assets Turnover (times)	0.6	0.6	0.7	0.8	0.8	0.8

「G-21」



Geographical Portfolio

Expansion of Core Materials Business in Europe and N. America
and Establishment of Manufacturing Base in China

Europe

Investment
62.7billion

-Acquisition

PVA・PVB resin business
PVB Film businesses

-Capacity expansion

PVA resin operations
EVAL

(billion yen)

Europe	2000	2005
Local Sales	10.8	54.0
Foreign Sales	25.2	58.9

N. America

Investment
23.2billion

-Establish New Plant: *SEPTON*:

-Enlargement : *EVAL*

-Acquisition

VECTRAN's sales and
development divisions

(billion yen)

N. America	2000	2005
Local Sales	16.3	30.6
Foreign Sales	25.8	35.4

Asia

Investment
3.0billion

-Establish New Plant
Hook and loop fastener
Man-made leather-JV-
Methacrylic sheets
Activated Carbon

(billion yen)

Asia	2000	2005
Local Sales	10.6	16.7
Foreign Sales	31.0	60.1

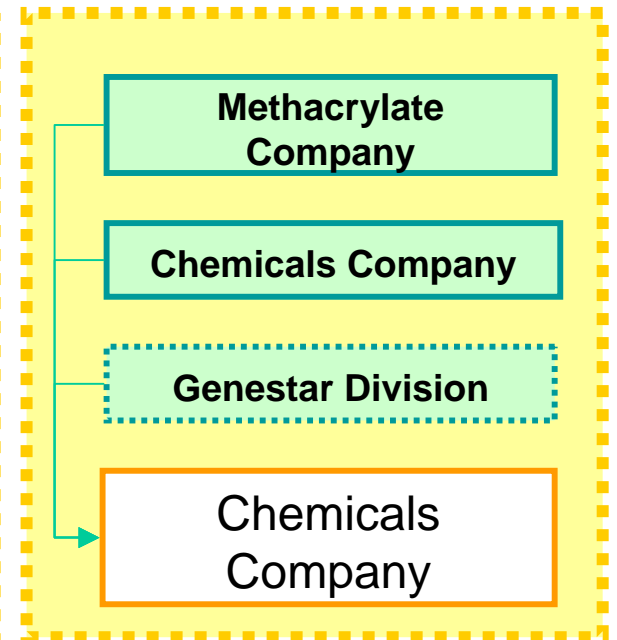
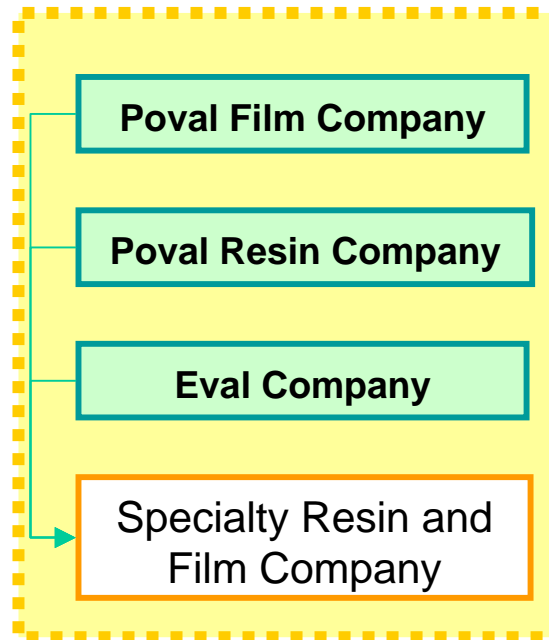
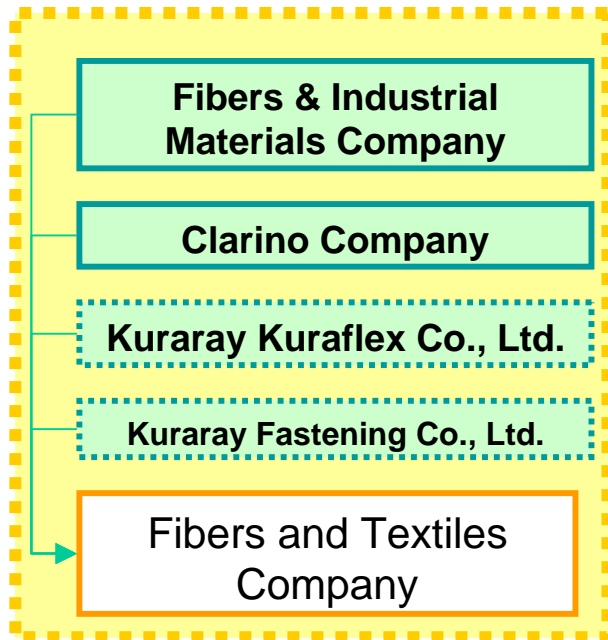
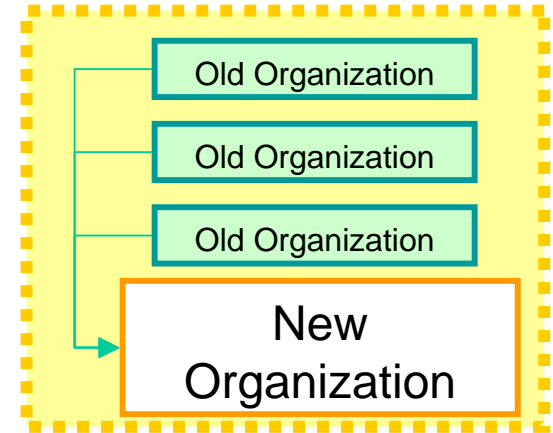
Increasing Foreign Sales : 76.6 bl yen (Europe : 33.7、N.America : 9.6、Asia : 29.1、Others : 4.2)



Company Restructuring

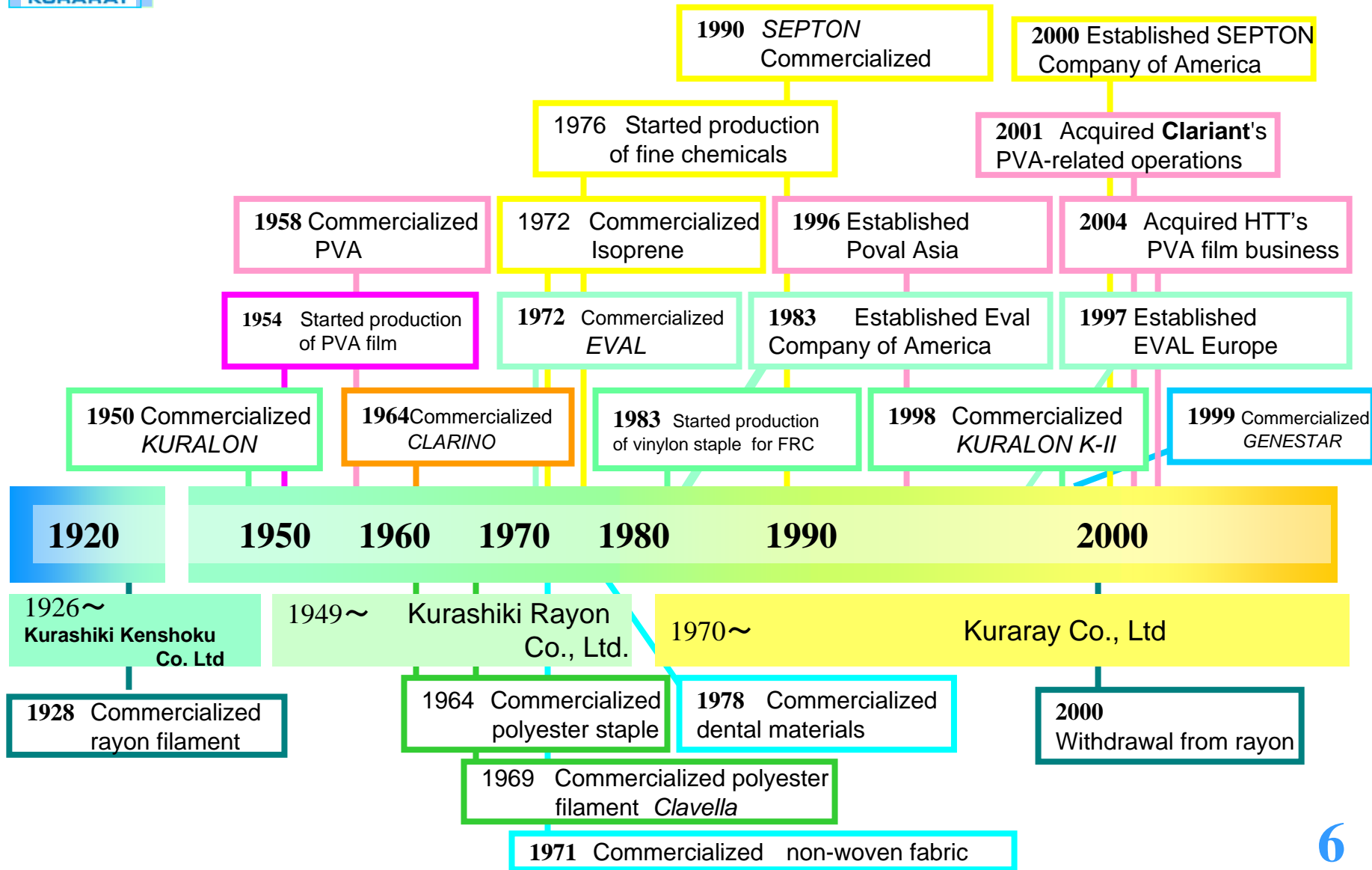
Managing Business with Long-term View

To further quicken response to market, and for effective utilization of management resources, the in-house companies were restructured into three, each with annual revenue near 100 billion yen mark.





80 Year History of Kuraray Group

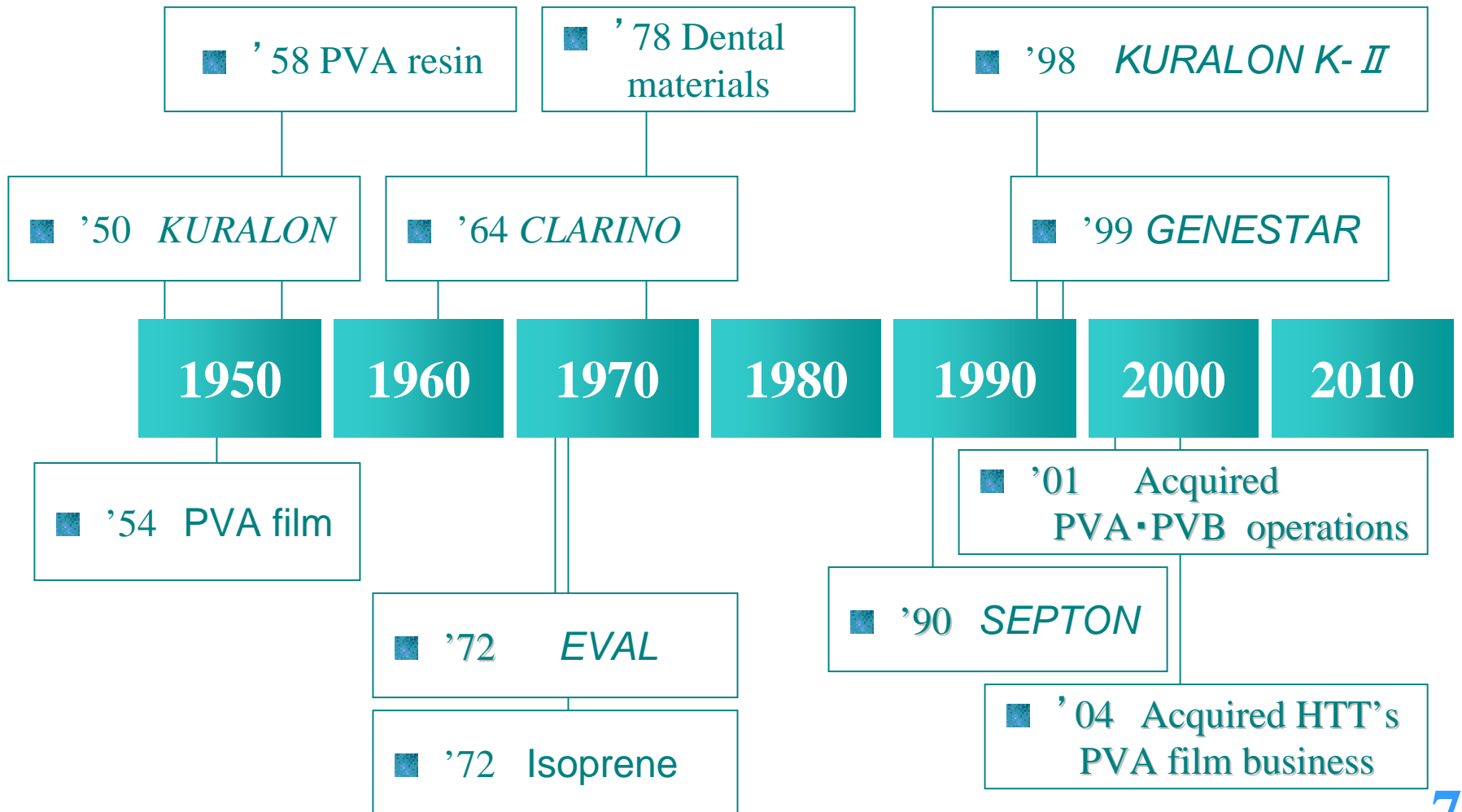




Expansion of Core Materials Using Proprietary Technologies

<Commercializing History>

~ Increased International Competitiveness Through Technological Innovation and Application Development ~

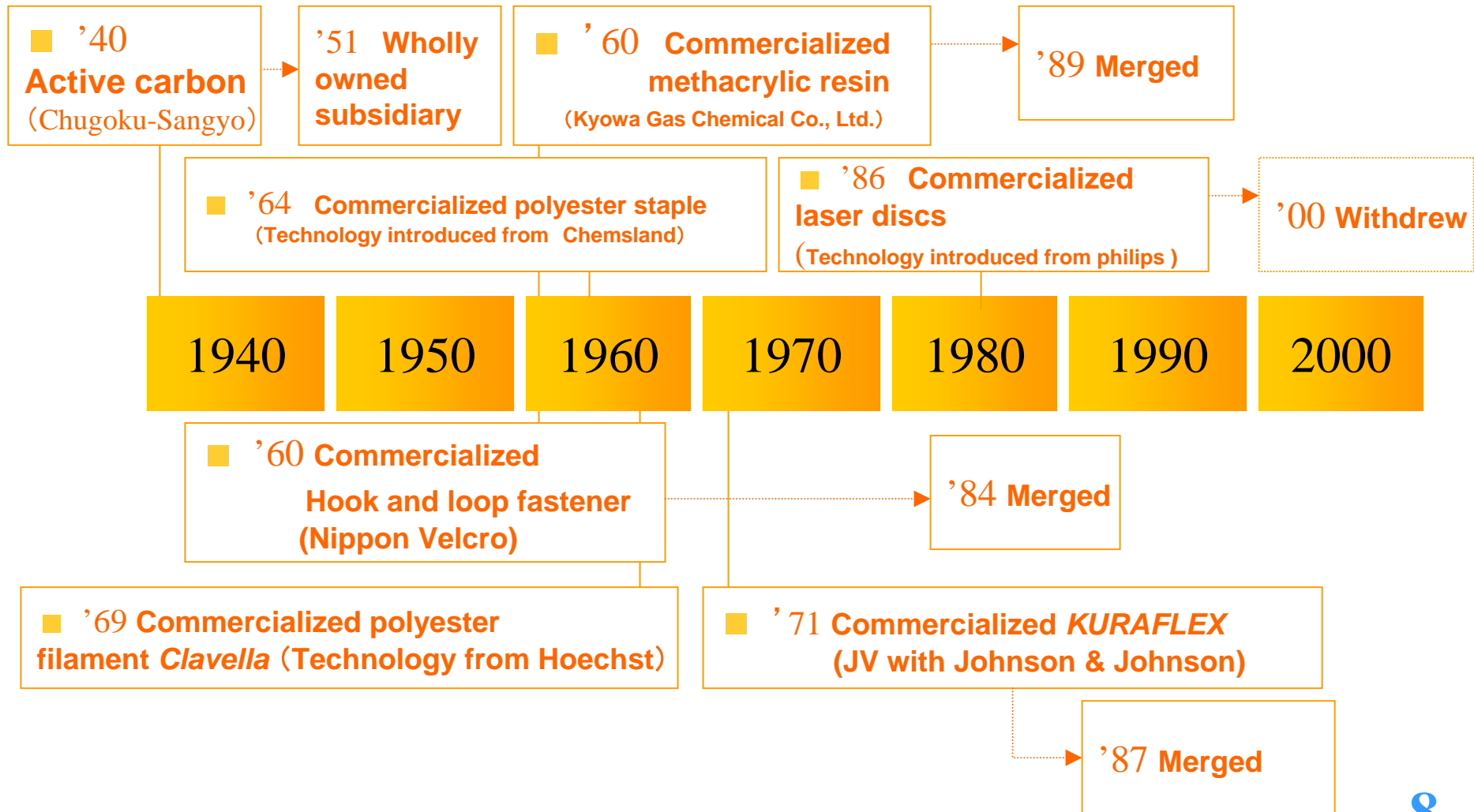




Business Expansion Through Technology Introduction & M&A

<Commercializing History>

~Established Areas of Superiority Through Higher Added Value Using Process Technology Etc. ~





Business Refinement Through Technology Innovation

Becoming A Diversified Specialty Company By Focusing Resources In High Level Processing Technologies

