

Our Long-term Strategies

**Representative Director and
President**

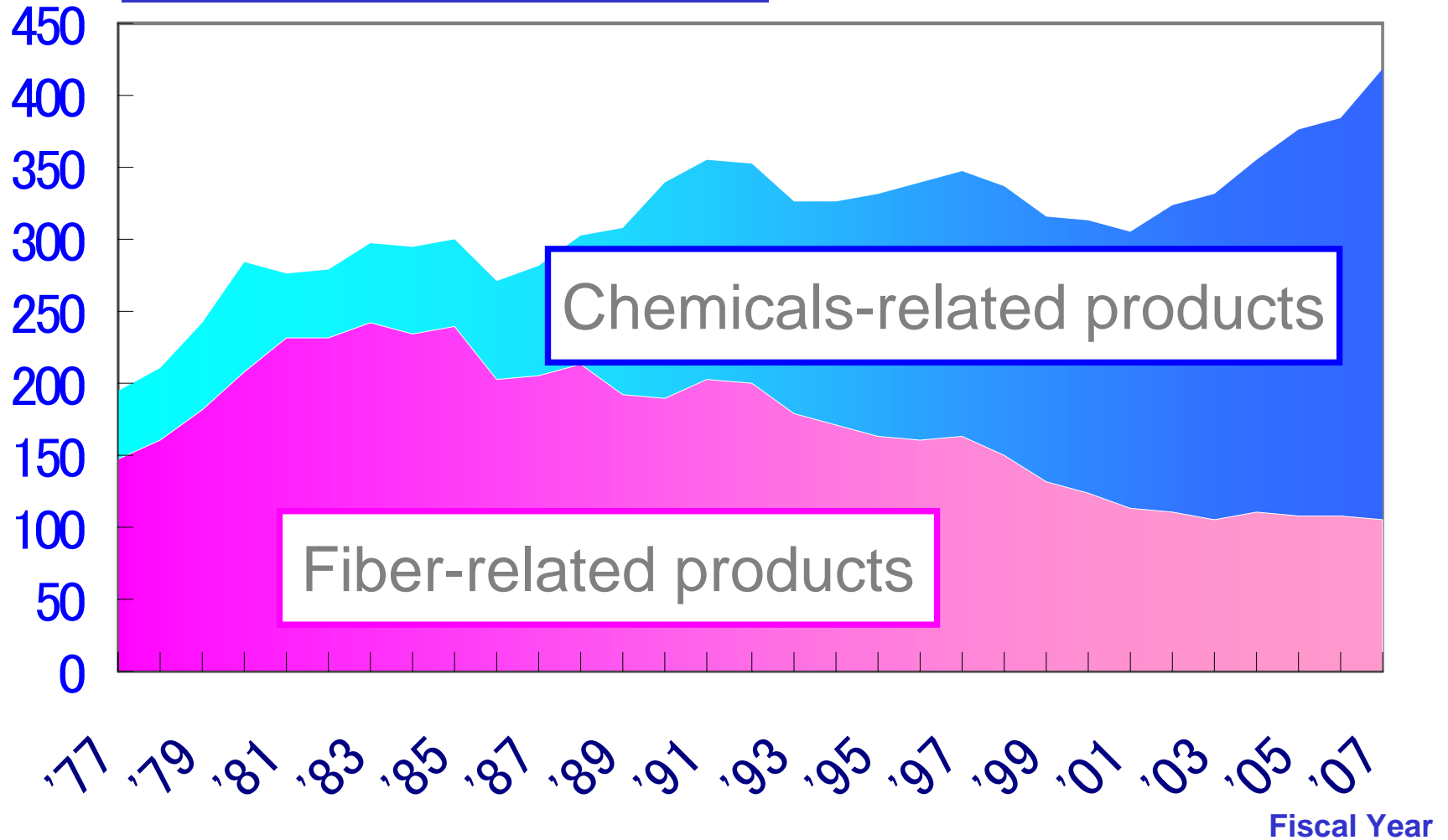
Fumio Ito

December 8, 2008

KURARAY CO., LTD.

Historical Change in Business Portfolio

Bil. ¥ Trends in net sales



kuraray History of Expansion and Sale/Shrinkage

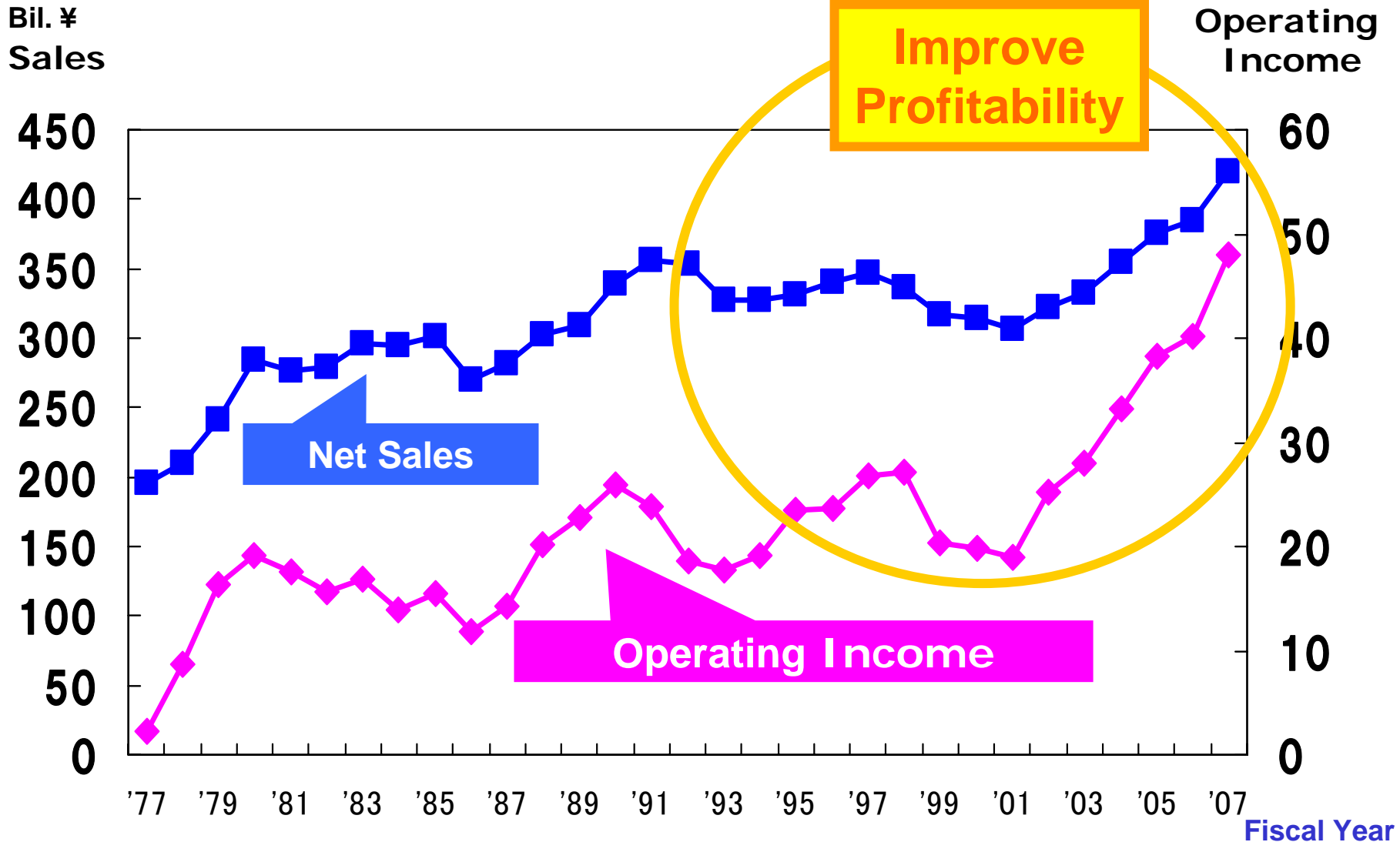
Expansion/M&A and others

- 01.12 Acquire Europe PVA related business.
- 04.12 Acquire Europe PVB film business.
- 05.04 Acquire Polyarylate fiber business.
- 08.01 Acquire 100% shares of AISA PVA subsidiary.(from 50%)
- 08.07 Acquire Europe Dental marketing bases
- 08.10 Acquire PVB Resin-Related Intellectual Property

Sale / Shrinkage

- 01.10 Polyester filament business.
- 03.04 Polyester staple business.
- 03.12 Vitamin A production
- 05.09 Dissolution of MMA monomer production joint venture
- 05.10 Contact Lens business
- 06.12 Rear projection related business.
- 07.10 Transfer dialyzer business.
- 08.03 Part of Aroma chemical

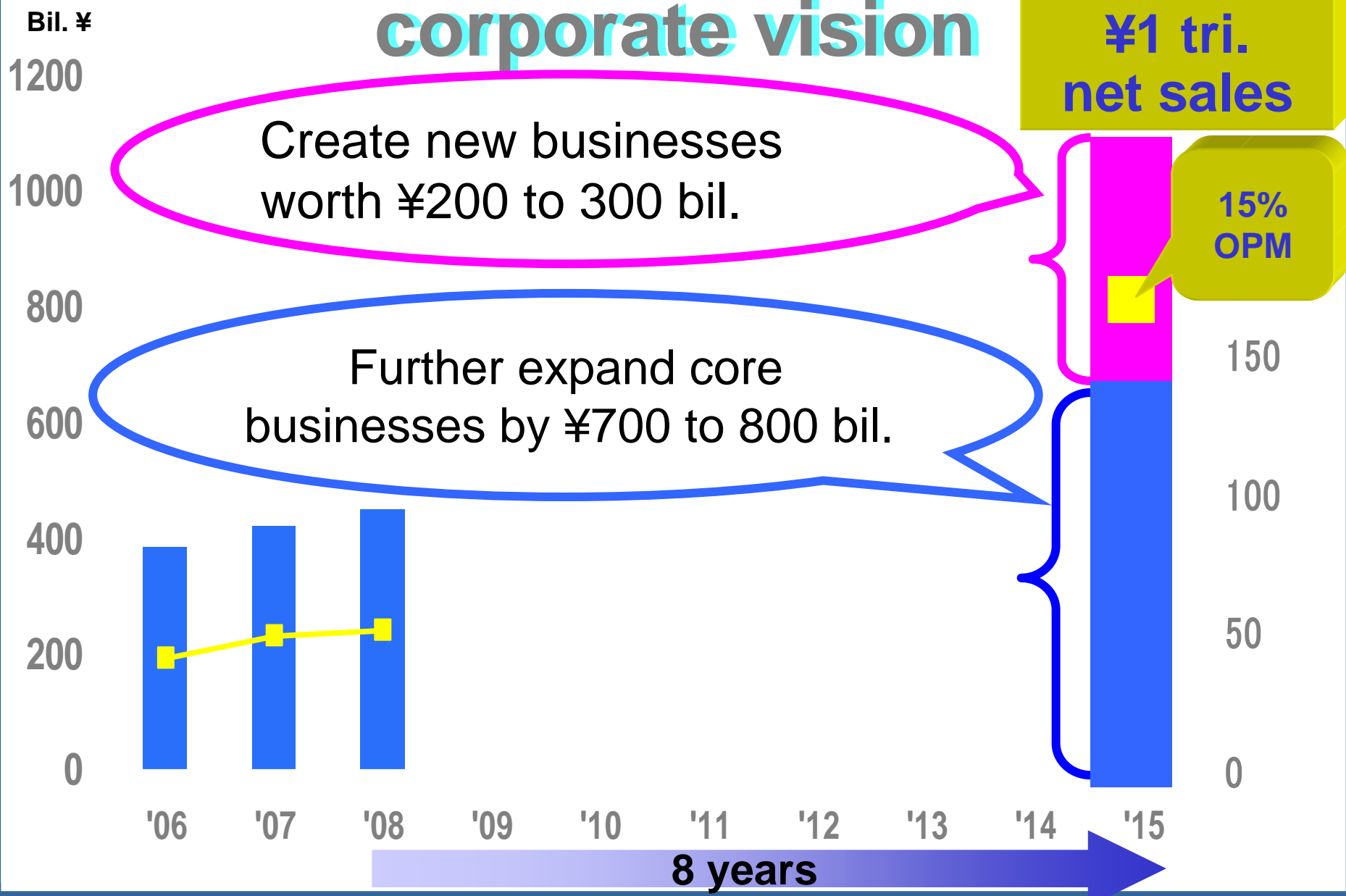
Trends of Net Sales & Operating Income



Mid-term Business Plan “GS-21”

Bil. ¥	FY2008			
	FY2006	FY2007	“GS-21” ex-commitment	Forecast
Net Sales	385.3	417.6	450.0	425.0
Operating Income	40.2	48.1	50.0	46.0
Ordinary Income	36.5	42.8	—	43.0
Net Income	22.4	25.6	—	26.0
ROA	8.1%	9.6%	9%	—
ROE	6.4%	7.3%	7 %	—

kuraray Toward 10 years corporate vision



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Perceptions of the Future Operating Environment

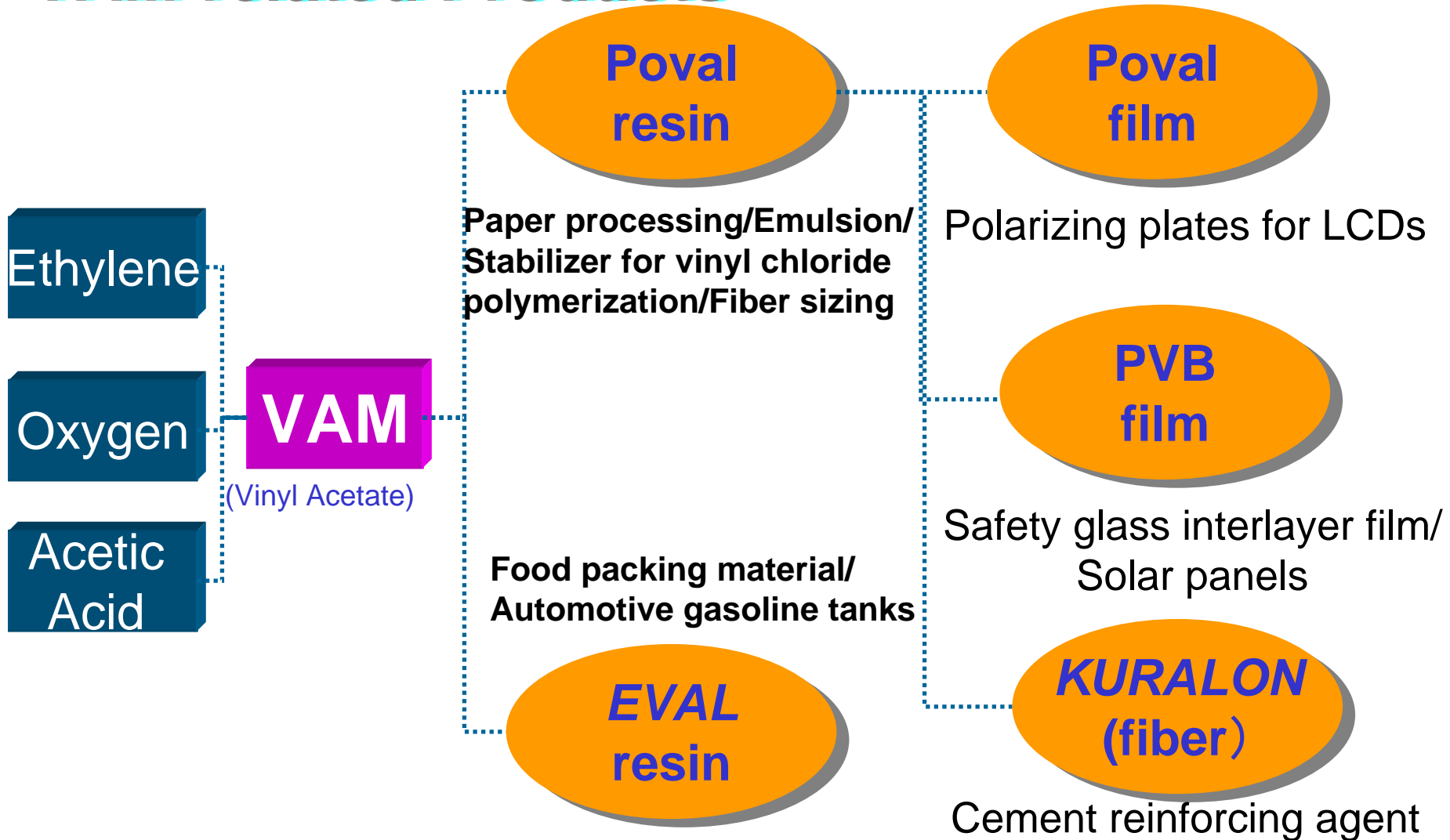
Deterioration of the global real economy



Recovery will take at least two to three years

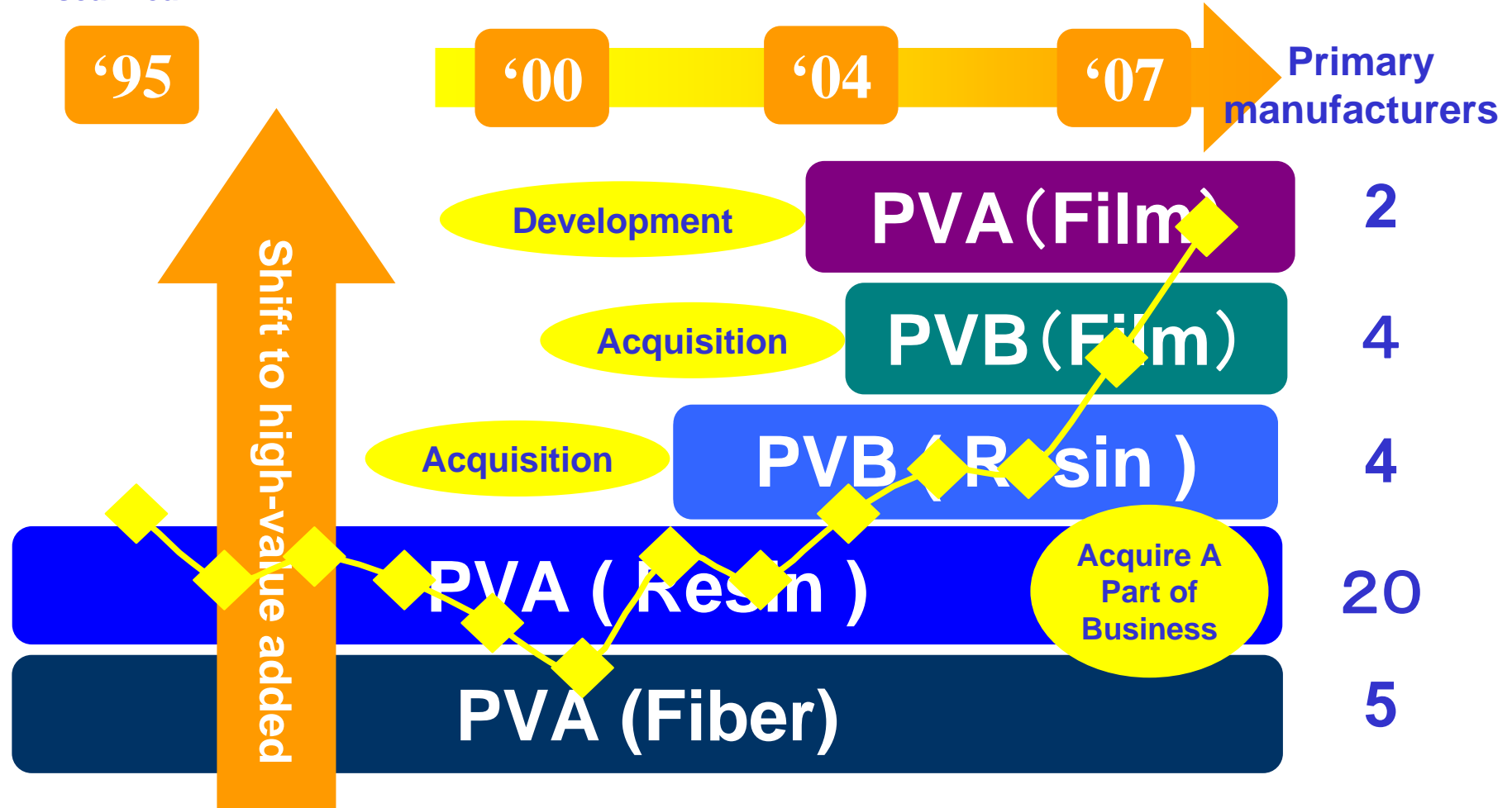
***A sustainable growth strategy
from a medium-to-long-term
perspective***

kuraray Far-Reaching Application Development for VAM-related Products



Further Strengthening the Competitiveness of Core Businesses

Fiscal Year

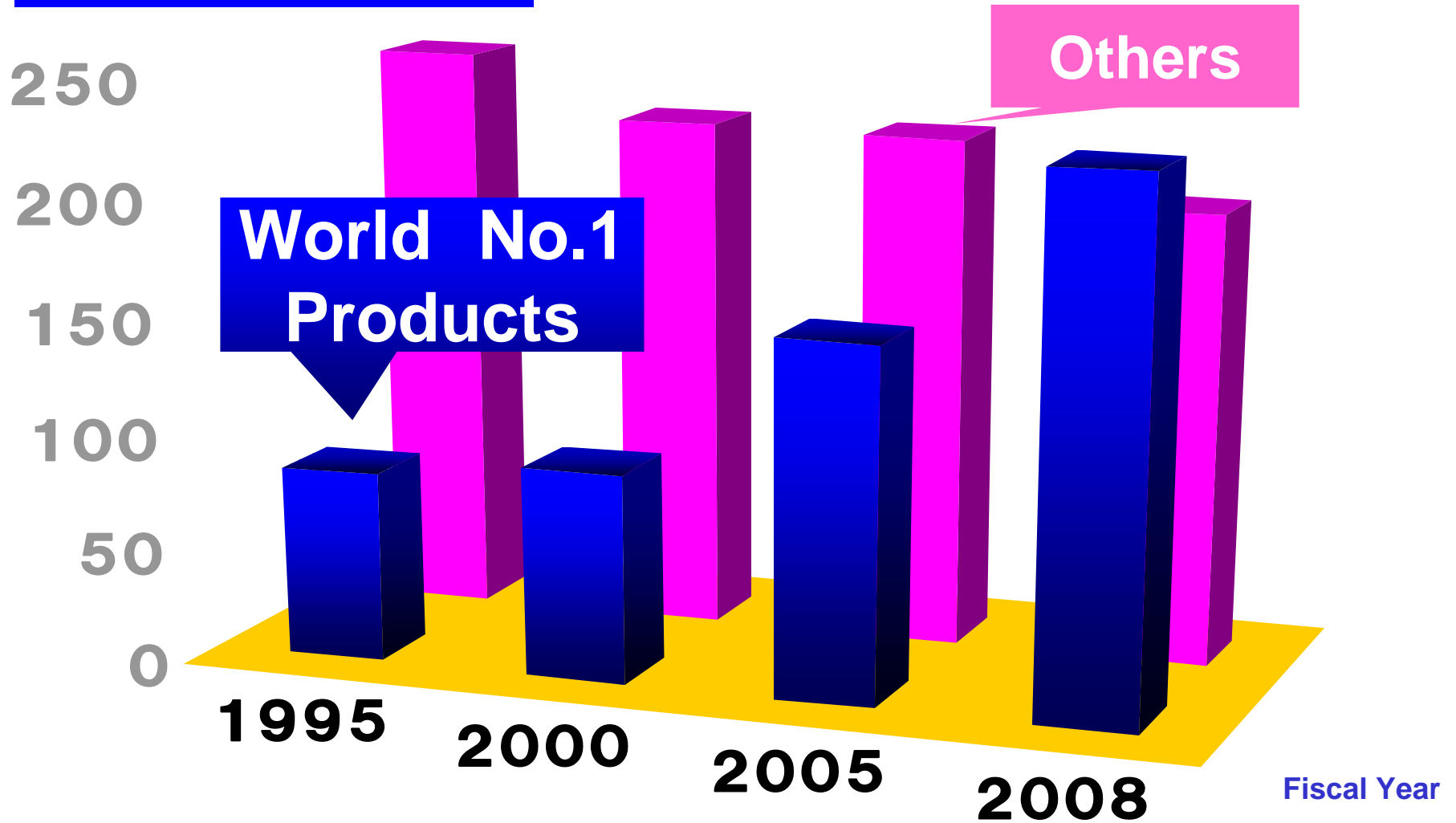


The straight-line graph represents the Poval chain operating margin

Expansion of World No.1 Products

Breakdown of Net Sales

Bil. ¥



Further Strengthening the Competitiveness of Core Businesses

Expansion for the highly promising developing Countries market

- (1) Conversion of a Singapore joint venture company into a wholly- owned subsidiary (January 2008) and the integration of production and sales (establishment of KAP (Kuraray Asia Pacific) Pte. Ltd. in July 2008)
- (2) Implementation of a feasibility study by KAP regarding the production of PVB resins and films (launched at July 2008, to conclude within the year)
- (3) Diversification of PVA resin brands by KAP
- (4) Establishment of a Kuraray local subsidiary company in India (September 2008)

Creating and Nurturing New Businesses

Energy

Environment

Optical · Electronics materials

Fuel cell materials

New optical materials

Field of Water treatment

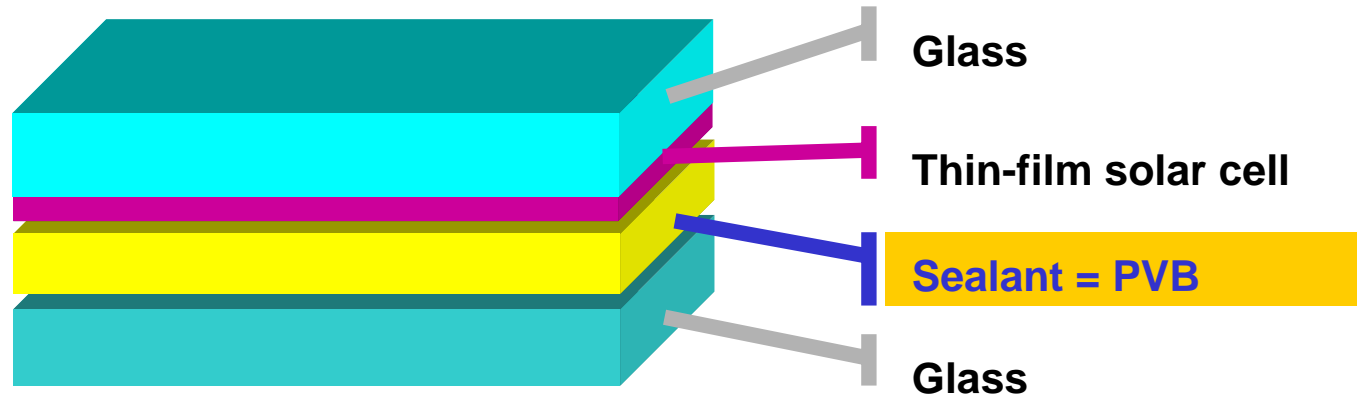
High-performance engineering plastic

Field of solar energy generation

- Thoroughly selecting and consolidating R&D themes and prioritizing the investment of management resources
- Based on the CTO of October of the previous year, reevaluating and narrowing down existing research themes – toward a search team of 130 people

Creating and Nurturing New Businesses

(Image)



PVB Film for Solar Panels



Water purification equipment



**Heat-resistant resin
GENESTAR**



**Shining Elastomer
LA Polymer**

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