

March 28, 2013

Kuraray Co., Ltd.

Notice Concerning the Merger of a Consolidated Subsidiary  
Kuraray Business Service Co., Ltd.

Kuraray Co., Ltd. has resolved at its meeting of the Board of Directors held on March 28, 2013 to merge with its wholly-owned consolidated subsidiary Kuraray Business Service Co., Ltd.

Since this is a short-form merger of its wholly-owned subsidiary, some information and details are omitted from disclosure.

1. Purpose of the merger

Kuraray Co., Ltd. absorbs its subsidiary Kuraray Business Service Co., Ltd. engaged in the planning, development, maintenance and operation of information systems used by the Group, in order to further enhance the centralization and efficiency of the Group's management resources.

2. Overview of the merger

(1) Schedule of the merger

Meeting of the Board approving the merger	March 28, 2013
Conclusion of the merger agreement	March 28, 2013
Effective date of the merger	May 1, 2013

(Note) Since this is a short-form merger as stipulated in Article 796, Paragraph 3 of the Companies Act for Kuraray Co., Ltd., and an absorption-type merger as stipulated in Article 784, Paragraph 1 of the said act for Kuraray Business Service Co., Ltd., the respective general shareholders meetings will not be held for the approval of the merger agreement.

(2) Method of the merger

Kuraray Co., Ltd., as a surviving company, absorbs Kuraray Business Service Co., Ltd., which will be subsequently dissolved.

(3) Details of allotment related to the merger

Not applicable.

(4) Handling of the absorbed company's share options and bonds with share options

Not applicable.

### 3. Overview of the companies

	Surviving Company	Absorbed Company
1. Name	Kuraray Co., Ltd.	Kuraray Business Service Co., Ltd.
2. Address	1621, Sakazu, Kurashiki City, Okayama Prefecture, Japan	1621, Sakazu, Kurashiki City, Okayama Prefecture, Japan
3. Representative's name and title	Fumio Ito, Representative Director and President	Shonosuke Tani Representative Director and President
4. Field of business	Manufacture and sale of chemicals, resins, fibers, textiles, and other products	Planning, development, maintenance and operation of information systems
5. Share capital	88,955 million yen	100 million yen
6. Date of Incorporation	June 24, 1926	October 1, 1997
7. Number of issued shares	382,863,603 shares	2,000 shares
8. End of fiscal year	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 Business Service Co., Ltd. (non-consolidated)
	Year Ended March 31, 2012	Year Ended March 31, 2012
Net assets	366,314	340
Total assets	523,247	768
Net assets per share (yen)	1,033.48	170,293.42
Sales	368,975	1,097
Operating income	54,733	20
Ordinary income	53,940	20
Net income	31,469	12
Net income per share (yen)	90.35	6,352.63

#### 4. Circumstances after the merger

- (1) Trade name: Kuraray Co., Ltd.
- (2) Head office address: 1621, Kurashiki City, Okayama Prefecture
- (3) Representative's name and title: Fumio Ito, Representative Director and President
- (4) Field of Business: Manufacture and sale of chemicals, resins, fibers, textiles, and other products
- (5) Share Capital: 88,955 million yen
- (6) End of fiscal year: March 31

#### 5. Effect of the merger on financial performance

The effect of the merger on both consolidated and non-consolidated results is expected to be minimal.