

May 22, 2012
Kuraray Co., Ltd.

Announcement regarding the acquisition of MonoSol

Kuraray Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Fumio Ito) has agreed to acquire MonoSol, LLC. ("MonoSol"), a U.S. based manufacturer of polyvinyl alcohol ("poval") film, in support of Kuraray's strategy to expand its "Vinyl Acetate Chemical Chains Business" which is one of the core businesses of Kuraray, and has reached an agreement with MonoSol Holdco, LLC, the parent company of MonoSol, regarding this transaction.

MonoSol is a leading manufacturer of poval films for various industrial applications such as packaging films for unit dose detergent products as well as agrochemicals and dyes, mold-release films for synthetic marble and so on.

Through this acquisition, Kuraray will expand its product offering of poval films into a wider range of industrial applications. Kuraray currently supplies poval film for optical-uses including a polarizing film, which is an essential component of liquid crystal displays. MonoSol manufactures complementary film products.

Kuraray will accelerate the expansion and development of its global "Vinyl Acetate Chemical Chains Business" through organic collaboration among Japan, U.S., Europe and Asia.

The transaction is subject to formal approval by the regulatory authorities.

Outline of MonoSol

Name: MonoSol, LLC

Established: 1953

Headquarters: Merrillville, Indiana, USA (Production facilities: U.S. and U.K.)

President & CEO: P. Scott Bening

Number of employees: approximately 300

"Vinyl Acetate Chemical Chains Business": Kuraray's core businesses consist of vinyl acetate based products such as poval resin, poval film, polyvinyl butyral (PVB) resin, PVB film, EVOH (ethylene vinyl alcohol copolymer) resin (Kuraray's trademark: <EVAL>) and vinylon fiber.