

KYOEI SANGYO CO., LTD.

Tokyo, Japan

JPY 2,000,000,000.–
Zero Coupon Convertible Notes due August 1, 2008

Swiss Security No.: 1.887.216 ISIN Code: XS0195391726

Notice is hereby given that pursuant to Section 5 (G) of Annex B-2 “Terms of the Notes” and Section 1 (B) of Annex C “Exercise of Stock Acquisition Rights” to the Note Purchase, Paying and Exercise Agency Agreement dated July 19, 2004 (the “Agreement”), the conversion price of the Notes will be revised downward as follows:

Conversion Price before revision:	JPY 412
Conversion Price after revision:	JPY 353
Effective Date:	August 2, 2005 (Japan time)

This announcement is made pursuant to Section 10 of the Terms of the Notes in Annex B-2 to the Agreement.

Zurich, July 25, 2005

Mitsubishi Securities International plc. London,
Zurich Branch
on behalf of KYOEI SANGYO CO., LTD.

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