

November 27, 2019
Kuraray Co., Ltd.

Notice Concerning Extraordinary Loss and Revision to Fiscal Year Forecast

We have recorded an extraordinary loss during the fourth quarter of the consolidated fiscal year ending December 2019. Accordingly, we have revised our forecast for the fiscal year ending December 2019 (January 1, 2019 through December 31, 2019) which was announced on November 12, 2019.

1. Extraordinary Loss Recorded

As announced in the notice concerning Settlement with a Part of Plaintiffs in Lawsuits in U.S. and Extraordinary Loss published on October 24, 2019, we have recorded an extraordinary loss of JPY 14 billion for a part of the plaintiffs in the lawsuits filed by more than 160 contract workers and others in Harris County District Courts in Texas claiming losses related to the fire incident that occurred at a US subsidiary in May 2018. Since the announcement, we have been working to estimate reasonable losses related to the entire Lawsuits and have now recorded a newly calculated extraordinary loss of JPY 34 billion. Accordingly, we have now reasonably estimated litigation-related loss for 140 or more plaintiffs.

2. Revision to Consolidated Forecast for the Fiscal Year Ending December 2019

We have revised our consolidated forecast for the fiscal year ending in December 2019 in accordance with the recording of this extraordinary loss. There is no change to our expected year-end dividend.

Revision to consolidated financial results forecast for the fiscal year ending December 31, 2019 (January 1, 2019 through December 31, 2019)

	(Millions of yen)				(Yen)
	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income per Share
Previous Forecast (A) (Announced November 12, 2019)	578,000	57,000	52,000	28,500	82.92
Revised Forecast (B)	578,000	57,000	52,000	2,500	7.27
Difference (B - A)	—	—	—	(26,000)	
Percent change	—	—	—	(87.7)	

Assuming average exchange rates of 110 yen/US\$, 120 yen/euro, and a price of 41,000 yen/kl for domestically-produced naphtha in the second half of the fiscal year.

(Note) Results forecasts are calculated based on currently available information and a certain level of assumptions which are deemed to be reasonable. Actual results may vary from the forecasted numbers due to any number of factors.