

October 24, 2019
Kuraray Co., Ltd.

**Settlement with a Part of Plaintiffs in Lawsuits in U.S. and
Notice Concerning Extraordinary Loss**

On or before October 24, 2019, Kuraray America, Inc. (Headquarters: Texas, U.S.), a subsidiary of Kuraray Co., Ltd. (“Kuraray”) reached general agreement for settlement with a part of plaintiffs in the lawsuits brought against Kuraray America, Inc. in Texas, U.S..

1. Background of the Lawsuits and Settlement

Several lawsuits have been filed in Harris County District Courts in Texas alleging that more than 160 contract workers and others suffered physical and/or psychological injuries as a result of the fire incident at the Kuraray America, Inc.’s EVAL Plant on May 19, 2018 (the “Lawsuits”).

After negotiation with a part of plaintiffs (including the most severely injured person), Kuraray America, Inc. has reached general agreement to seek early settlement.

2. Settlement Amount

US\$92 million (approximately JPY10 billion)

3. Effect on Financials

Kuraray has recognized an extraordinary loss of JPY14 billion, including the settlement amount, as litigation-related loss in the 3rd quarter of the fiscal year ending December of 2019. The loss represents losses for 13 plaintiffs (including the most severely injured person) for which a reasonable estimate can be made as of this moment, and Kuraray will announce in due course at the time when reasonable estimates of additional losses become possible. Kuraray is currently investigating the impact on the financial result for the full year ending December of 2019, and will make an announcement promptly if any adjustment to the current financial forecast is considered to require.