Notice Concerning Distribution of Retained Earnings

At its Board of Directors’ meeting held on February 26, 2020, Kuraray resolved to submit an agenda item concerning the distribution of retained earnings (year-end dividend for the fiscal year ended December 31, 2019) to the upcoming Ordinary General Meeting of Shareholders to be held on March 26, 2020. Details follow.

1. Details of Dividend

<table>
<thead>
<tr>
<th></th>
<th>Amount in accordance with resolution</th>
<th>Latest forecast for year-end dividend (announced on February 13, 2019)</th>
<th>Dividend for fiscal year ended December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record date</td>
<td>December 31, 2019</td>
<td>December 31, 2019</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>Cash dividends per share</td>
<td>¥22.00</td>
<td>¥22.00</td>
<td>¥22.00</td>
</tr>
<tr>
<td>Total dividends paid</td>
<td>¥7,562 million</td>
<td>—</td>
<td>¥7,671 million</td>
</tr>
<tr>
<td>Effective date</td>
<td>March 27, 2020</td>
<td>March 28, 2019</td>
<td></td>
</tr>
<tr>
<td>Source of dividends</td>
<td>Retained earnings</td>
<td>Retained earnings</td>
<td></td>
</tr>
</tbody>
</table>

2. Reasons for the Payment of Dividends

The distribution of profits to shareholders is one of the Company’s top management issues. Kuraray will continuously and stably pay out dividends, taking into consideration business performance and financial standing while carefully securing internal reserves, which are its primary source of funds for business development.

Kuraray intends to pay out a year-end dividend of ¥22 per share.

Reference: Breakdown of Full-Year Dividends

<table>
<thead>
<tr>
<th>Fiscal year ended December 31, 2019</th>
<th>Dividend per share (yen)</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Interim</td>
<td>Year-end</td>
<td></td>
</tr>
<tr>
<td>¥20.00</td>
<td>¥22.00</td>
<td>¥42.00</td>
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