

February 21, 2017  
Kuraray Co., Ltd.

## **Notice Concerning Distribution of Retained Earnings**

At its Board of Directors' meeting held on February 21, 2017, Kuraray resolved to submit an agenda item concerning the distribution of retained earnings (year-end dividend for the fiscal year ended December 31, 2016) to the upcoming Ordinary General Meeting of Shareholders to be held on March 24, 2017. Details follow.

### 1. Details of Dividend

	Amount in accordance with resolution	Latest forecast for year-end dividend (announced on February 8, 2017)	Dividend for fiscal year ended December 31, 2015
Record date	December 31, 2016	December 31, 2016	December 31, 2015
Cash dividends per share	¥21.00	¥21.00	¥22.00
Total dividends paid	¥7,381 million	—	¥7,726 million
Effective date	March 27, 2017	—	March 30, 2016
Source of dividends	Retained earnings	—	Retained earnings

### 2. Reasons for the Payment of Dividends

The distribution of profits to shareholders is one of the Company's top management issues, and it has a basic policy of increasing distribution of profits through continuous improvement in business results. During GS-STEP, the medium-term management plan for fiscal 2015 through fiscal 2017, the Company has set a total return ratio of 35% or more relative to net income attributable to owners of the parent and annual dividends per share of ¥36 or higher.

In line with this policy, Kuraray intends to increase its year-end dividend ¥1 per share from the previously forecast amount to ¥21 per share, as it announced in "Notice of Revisions of Dividend Forecast for the Fiscal Year Ending December 31, 2016" released on February 8, 2017.

### Reference: Breakdown of Full-Year Dividends

	Dividend per share (yen)		
	Interim	Year-end	Total
Fiscal year ended December 31, 2016	¥20.00	¥21.00	¥41.00
Fiscal year ended December 31, 2015	¥18.00	¥22.00	¥40.00