

December 25, 2019
Kuraray Co., Ltd.

Notice Regarding Voluntary Cuts in Director Remuneration

On February 21, 2017 Kuraray received an on-site inspection by the Japan Fair Trade Commission due to possibly having violated the Antimonopoly Act in the manufacture and sale of activated carbon used in some water purification, waste incineration, and other facilities. Since the inspection, Kuraray has fully cooperated with investigations by the commission.

Then on November 22 of this year, Kuraray received a cease and desist order and a penalty payment order based on the Antimonopoly Act for the manufacture and sale of activated carbon used in some water purification, waste incineration, and other facilities in the East Japan and Kinki regions.

We express our deep and sincere regret for the considerable inconvenience this may have caused to our shareholders, business partners, and all other stakeholders.

In March 2017, Kuraray also received a cease and desist order from the Japan Fair Trade Commission regarding violations of the Antimonopoly Act in connection with bidding to supply certain vinylon products ordered by the Acquisition, Technology & Logistics Agency. Having received two different cease and desist orders for violations of the Antimonopoly Act, we take these circumstances with the utmost seriousness. As such, we have decided on voluntary cuts of director remuneration. Details are as follows.

Since the on-site inspection by the Japan Fair Trade Commission, Kuraray has made it a key management issue to thoroughly reinforce its compliance frameworks, including those related to the Antimonopoly Act. We have revised our Antimonopoly Act compliance guidelines, made all of our related systems stricter including tighter operations of compliance systems which pertain to the Antimonopoly Act, and reinforced our monitoring systems including internal hearings and in-house leniency programs conducted by departments in charge of legal affairs. We have also enacted measures to prevent recurrences, promoting greater awareness among employees through training sessions by outside attorneys and other such initiatives. Going forward, we will further reinforce our compliance system and strive to restore trust by expanding these efforts to the entire Kuraray Group including overseas group companies, and by implementing them in an ongoing manner.

1. Voluntarily cuts in remuneration

Masaaki Ito, Representative Director and President: 30% of monthly remuneration

2. Period during which remuneration is to be cut

Four months from December 2019 to March 2020