



December 22, 2015  
Kuraray Co., Ltd.

## **Notice Concerning the Merger of Subsidiary Bio Hard Carbon Co., Ltd.**

Kuraray Co., Ltd. (hereinafter “Kuraray”) hereby announces that it passed a resolution at its Board of Directors’ meeting held on December 22, 2015, to carry out a merger aimed at absorbing Bio Hard Carbon Co., Ltd. (hereinafter “Bio Hard Carbon”), one of Kuraray’s wholly owned subsidiaries. Kuraray acquired all the shares of Bio Hard Carbon held by the two former parent companies—Kuraray Chemical Co., Ltd. (a consolidated subsidiary of Kuraray) and Kureha Battery Materials Japan Co., Ltd.—on December 21, 2015.

In addition, since this merger pertains to the absorption of a wholly owned subsidiary, some details of the information disclosed below have been omitted.

### **1. Purpose of the Merger**

Kuraray will absorb Bio Hard Carbon, a company engaged in the manufacture of plant-based hard carbon anode materials, in order to further enhance the centralization and efficiency of the Kuraray Group’s management resources.

### **2. Overview of the Merger**

#### (1) Schedule

The resolution of the merger at the Board of Directors’ meeting:

December 22, 2015

The signing of the merger agreement: December 22, 2015

The effective date of the merger: April 1, 2016 (scheduled)

Note: The merger will be carried out as a short-form merger by Kuraray in accordance with the provisions of Article 796, Paragraph 2 of Japan’s Companies Act. Simultaneously, the merger will be performed by Bio Hard Carbon based on the stipulations for absorption-type mergers set out under Article 784, Paragraph 1 of the same act. Therefore, no general meeting of shareholders is required to gain respective approval for the merger agreement.

#### (2) Method of the Merger

Kuraray, the surviving company, will absorb Bio Hard Carbon, which will be dissolved as a result of the merger.

(3) Share Allocation in Accordance with Merger  
Not applicable.

(4) Treatment of Absorbed Company's Stock Acquisition Rights and Convertible Bonds with Stock Acquisition Rights  
Not applicable.

### 3. Outline of Companies Involved in the Merger

	Surviving company (As of June 30, 2015)	Absorbed company (As of December 22, 2015)
1. Company name	Kuraray Co., Ltd.	Bio Hard Carbon Co., Ltd.
2. Location	1621, Sakazu, Kurashiki City, Okayama Prefecture	4342, Tsurumi, Bizen City, Okayama Prefecture
3. Representative's name and title	Masaaki Ito, Representative Director and President	Yasuhiro Yamamoto, Representative Director and President
4. Principal businesses	Manufacture and sale of chemicals, resins, fibers and textiles	Manufacture of plant-based hard carbon anode materials
5. Capital	¥88,955 million	¥425 million
6. Date of establishment	June 24, 1926	August 22, 2012
7. Shares issued	354,863,603	17,000
8. Fiscal year-end	December 31	December 31
9. Major shareholders and their holdings	The Master Trust Bank of Japan, Ltd. (Trust account): 6.95% Japan Trustee Service Bank, Ltd. (Trust account): 6.12%	Kuraray Co., Ltd.: 100%
10. Corporate performance and financial standing		
	Kuraray Co., Ltd. (consolidated)	Bio Hard Carbon Co., Ltd. (non-consolidated)
Fiscal year	Ended December 31, 2014	Ended December 31, 2014
Net assets	¥481,826 million	¥623 million
Total assets	¥691,538 million	¥1,800 million
Net assets per share	¥1,354.21	¥36,649.32
Net sales	¥411,408 million	—
Operating income	¥40,298 million	(¥171 million)
Ordinary income	¥40,084 million	(¥182 million)
Net income	¥21,296 million	(¥182 million)
Net income per share	¥60.77	(¥10,760.81)

#### **4. The Status of the Surviving Company**

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|--------------------------------------|--|
| (1) Company name:                    | Kuraray Co., Ltd.  |
| (2) Location of registered office:   | 1621, <u>Sakazu</u> , Kurashiki City,<br>Okayama Prefecture          |
| (3) Representative's name and title: | Masaaki Ito, Representative<br>Director and President                |
| (4) Principal businesses:            | Manufacture and sale of<br>chemicals, resins, fibers and<br>textiles |
| (5) Capital:                         | ¥88,955 million  |
| (6) Fiscal year-end:                 | December 31  |

#### **5. Outlook**

Kuraray expects the merger to have no material effect on its consolidated performance.

For reference, please also see Kuraray's press release entitled "Kuraray to Divest Its Shares in Kureha Battery Materials Japan, Terminating a Lithium Ion Battery Business Joint Venture," which was released on December 2, 2015 to discuss the reorganization of its operations related to plant-based hard carbon anode materials.