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Notice Concerning Revisions to Performance Forecasts for Fiscal 2014

Kuraray Co., Ltd. (hereafter "Kuraray" or the "Company") announces revisions to its full-year business performance forecasts for fiscal 2014 (April 1, 2014 to December 31, 2014)*, originally announced on October 29, 2014. Kuraray acquired the vinyl acetate-related business from E. I. du Pont de Nemours and Company (hereafter "DuPont") on June 1, 2014. The revisions are intended to reflect the allocation of the purchase price to the assets acquired and liabilities assumed.

* The Company has changed its fiscal year-end from March 31 to December 31. Please refer to the related April 25, 2014 press release for details.

1. Revisions to consolidated performance forecasts for fiscal 2014 (April 1, 2014 to December 31, 2014)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	415,000	44,000	43,000	26,000	74.19
Revised forecast (B)	415,000	41,000	40,000	21,000	59.92
Change (B – A)	—	(3,000)	(3,000)	(5,000)	
Change (%)	—	(6.8)	(7.0)	(19.2)	

2. Reasons for revisions

Kuraray has completed purchase price allocation following the takeover of DuPont's vinyl acetate-related business, finalizing the amount of assets acquired and liabilities assumed. Specifically, goodwill amortization and other costs attributable to this acquisition were found to be ¥4.3 billion, far exceeding the previous estimate of ¥1.3 billion. In addition, the Company has decided to sell the European polyvinyl butyral (PVB) film business previously owned by DuPont, as announced on October 17, 2014, in accordance with the European Commission's conditional approval for the acquisition. The Company will record an approximately ¥6.0 billion loss on this sale.

Consequently, forecasts for operating income and ordinary income were downwardly revised by ¥3.0 billion each, reflecting such factors as the posting of the greater-than-expected goodwill amortization. The forecast for net income was revised to be ¥5.0 billion lower than the previous figure. This was a result of the aforementioned downward revision in the ordinary income forecast, the planned posting of an extraordinary loss attributable to the loss on the sale of the European PVB film business, and adjustments made for income taxes.

3. Dividends

As announced previously, the Company plans to pay out an annual dividend for fiscal 2014 of ¥27 per share.

Disclaimer:

The performance forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts.