



September 21, 2017

Kuraray Co., Ltd.

Acquisition of Calgon Carbon

Kuraray Co., Ltd. (“Kuraray”, or the “Company”) announced that it has reached an agreement with Calgon Carbon Corporation, the world’s largest activated carbon manufacturer (Headquarters: Pennsylvania, U.S., CEO: Randall S. Dearth, NYSE, Ticker: CCC, hereinafter “**Calgon Carbon**”) to acquire all of the outstanding shares of Calgon Carbon and make it a wholly-owned subsidiary of the Company (hereinafter “**Acquisition**”).

The Acquisition is subject to customary conditions including the approval of Calgon Carbon’s shareholders and the receipt of necessary regulatory approvals, and is expected to close by the end of December 2017.

1. Purpose of the Acquisition

【Background】

To realize its long-term corporate vision of becoming a “high-profit specialty chemical company with a global presence”, the Kuraray Group has been considering innovations to build a growth strategy for the future to expand its business domains under the medium-term business plan “GS-STEP”. Concurrently, the Kuraray Group has identified three key strategic areas for business expansion, namely, “aqua and environment”, “energy”, and “optics and electronics”, all of which have significant potential for market growth.

【Purpose of the Acquisition】

Kuraray is engaged in the carbon materials business with a focus on high performance activated carbon used in a wide range of applications in such fields as energy, water resource and air purification.

Calgon Carbon is a global leader in the activated carbon business with manufacturing facilities in 7 countries and distribution channels in 16 countries, providing innovative solutions in various applications and end markets.

Following the Acquisition, we will implement strategic initiatives, including business expansion by leveraging Calgon Carbon’s strong global platform, acceleration of technological innovations by combining R&D expertise, and cost reductions by optimizing manufacturing facilities, through which we aim to grow our carbon materials business as one of our future core businesses. Kuraray will contribute to human health and to environmental sustainability by providing high performance carbon materials to the market.

2. Structure of the Acquisition

The Acquisition is structured as a merger between Calgon Carbon and our U.S. merger subsidiary being established for the purpose of the Acquisition, where Calgon Carbon will be the surviving company ⁽¹⁾. Through the merger process, Kuraray will acquire all of the outstanding shares of Calgon Carbon for cash and Calgon Carbon will be delisted from NYSE and become a wholly-owned subsidiary of Kuraray⁽²⁾.

The acquisition price is approximately \$1,107 million (approximately 121.8 billion yen (\$21.5 per share)). Kuraray plans to finance the total amount of funds necessary to complete the Acquisition through debt and does not contemplate equity offering as of the date hereof.

(*1) This structure, called as a reverse triangular merger, is a standard transaction form in the U.S and is commonly used in a friendly takeover.

(*2) Kuraray will acquire all of the outstanding shares of Calgon Carbon through Kuraray Holdings, U.S.A., Inc. (a Delaware corporation which is a wholly-owned subsidiary of the Company, hereinafter "KHU"). As a result of the Acquisition, Kuraray will own all shares of the merged entity through KHU.

3. Profile of Calgon Carbon

(1)	Company Name	Calgon Carbon Corporation											
(2)	Headquarters	3000 GSK Drive, Moon Township, Pennsylvania, U.S.											
(3)	Name and Title of the Representative	Chairman, President & CEO: Randall S. Dearth											
(4)	Description of the Business	Manufacturing and sale of activated carbon and water treatment equipment											
(5)	Capital Fund	615 thousand US dollars (as of December 31, 2016)											
(6)	Year of Establishment	1942											
(7)	Number of Employees	1,334 (as of December 31, 2016)											
(8)	Major Shareholders and Ownership Percentage (as of June 30, 2017)	<table border="0"> <tr> <td>BlackRock Institutional Trust Company, N.A.</td> <td>11.2%</td> </tr> <tr> <td>The Vanguard Group, Inc.</td> <td>9.3%</td> </tr> <tr> <td>Shapiro Capital Management LLC</td> <td>8.4%</td> </tr> <tr> <td>Dimensional Fund Advisors, L.P.</td> <td>6.2%</td> </tr> <tr> <td>Victory Capital Management Inc.</td> <td>4.1%</td> </tr> </table>		BlackRock Institutional Trust Company, N.A.	11.2%	The Vanguard Group, Inc.	9.3%	Shapiro Capital Management LLC	8.4%	Dimensional Fund Advisors, L.P.	6.2%	Victory Capital Management Inc.	4.1%
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(9)	Relationship between Kuraray Group	Capital Relationships	No notable capital relationships between Kuraray / Kuraray affiliated companies										
		Human Relationships	No notable human relationships between Kuraray / Kuraray affiliated companies										
		Business Relationships	There is a commercial relationship but the amount is insignificant										

(10) Consolidated financial position and operating results in the past three years			
Accounting Period (units: millions of US dollars)	December 2014	December 2015	December 2016
Consolidated Net Assets	405.5	394.0	381.1
Consolidated Total Assets	621.7	656.5	775.2
Consolidated Net Assets per Share (US dollars)	7.52	7.47	7.47
Consolidated Sales	555.1	535.0	514.2
Consolidated Operating Profit	74.6	64.8	24.5
Consolidated Profit before Tax	72.5	63.4	20.1
Net Income Attributable to Owners of the Parent	49.4	43.5	13.8
Net Income Attributable to Owners of the Parent per Share (US dollars)	0.92	0.82	0.27

4. Number of shares to be acquired, acquisition price, and share ownership before and after acquisition

(1) Number of Shares Owned before Transfer	0 share (Number of shares with voting rights: 0 share) (Ownership percentage: 0%)
(2) Number of Shares to be Acquired	51,482,349 shares ^(*3)
(3) Acquisition Price	Ordinary shares of Calgon Carbon: approximately 1,107 million US dollars
(4) Number of Shares Owned after Transfer	51,482,349 shares (Number of shares with voting rights: 51,482,349 shares) (Ownership percentage: 100%)

(*3) Numbers are based on the fully-diluted shares as of today (taking into account dilutions resulting from treatment of equity based awards related to the Acquisition).

5. Timeline

(1) Resolution at Kuraray's Board Meeting	September 21, 2017
(2) Date of Signing	September 21, 2017
(3) Anticipated Timing of Closing	December 2017 (planned)

6. Financial Impact

After closing of the Acquisition, Calgon Carbon will become a consolidated subsidiary of Kuraray. The resulting impact on Kuraray's consolidated financial performance will be disclosed in a timely manner as the transaction progresses.

(Reference) Consolidated financial outlook for FY2017 (announced on August 9, 2017) and result for FY2016

(units: millions of JPY)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent
Outlook for FY 2017 (January 1, 2017 – December 31, 2017)	530,000	75,000	73,000	46,000
Result for FY 2016 (January 1, 2016 – December 31, 2016)	485,192	67,827	66,181	40,400

7. Caution concerning forward-looking statements

This press release and other statements by Kuraray may include "forward-looking statements" within the meaning of applicable securities laws and regulations. Forward-looking statements in this press release include, without limitation, statements regarding the expected timing of the completion of the transaction described in the press release, operation of Calgon Carbon's business following completion of the Acquisition, and statements regarding the future operation, direction and success of the business. Such statements are qualified by known and unknown risks and uncertainties surrounding future business performance, development and financial standing of Kuraray and Calgon Carbon, and actual results could differ materially from those currently anticipated. Forward-looking statements may be identified by the use of words such as "believe", "anticipate", "expect", "plan", "intent", "may" "will", "estimate" and "future" and other similar expressions, or in particular in the form of discussions of strategies, plans or intentions.

Factors that could cause our actual results to differ materially from those described in forward-looking statements include, but are not limited to: (i) uncertainties as to whether or when the transaction will be consummated, (ii) uncertainties as to the approval of Calgon Carbon's shareholders required in connection with the Acquisition, (iii) the possibility that competing offers will be made, (iv) the possibility that various closing conditions for the transaction may not be satisfied, (v) the effects of disruption caused by the announcement of this transaction making it difficult to maintain relationships with employees, customers, suppliers and other business

partners and the potential inability to retain existing Calgon Carbon management upon whom Kuraray will rely, (vi) the risk that stockholder litigation in connection with the transaction may affect the timing of the transaction or result in significant costs of defense, indemnification and liability, (vii) other business effects, including the effects of legal systems, accounting principles or other changes in business environment outside of the control of Kuraray or Calgon Carbon, (viii) the risk that anticipated synergies and other benefits of the acquisition will not materialize, (ix) financial instability and other changes in economy in general or industry, (x) transaction costs, (xi) costs and availability of financing on favorable terms and future capital needs, (xii) changes in costs of supplies and raw materials, customer preferences, exchange rates and other national, regional or global economic and financial conditions, (xiii) marketing, regulatory, product liability, supply, competitive, political and other risks, (xiv) actual or contingent liabilities, (xv) changes in and ability to comply with environmental, tax, labor and employment, and other laws and regulations, and (xvi) other risks, including but not limited to those set forth under the "risk factors" section in Calgon Carbon's most recent Annual Report on Form 10-K which was filed with the U.S. Securities and Exchange Commission (the "SEC") and other material submitted to SEC (as available from the SEC website free of charge (www.sec.gov)). Unless legally required, Kuraray disclaims any obligation to update any forward-looking statements after the date of this press release, whether as a result of new information, future events or otherwise.

All forward-looking statements in this announcement are qualified in their entirety by this cautionary statement. Information in this press release is current on the date of the announcement and is subject to change without notice.