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Kuraray to Acquire DuPont Glass Laminating Solutions/Vinyls

WILMINGTON, Del., Nov. 21, 2013 – Kuraray (TSE:3405) and DuPont (NYSE: DD) today announced they have signed a definitive agreement for DuPont to sell Glass Laminating Solutions/Vinyls (GLS/Vinyls), a part of DuPont Packaging & Industrial Polymers, to Kuraray for US\$543 million, plus the value of the inventories. The sale is expected to close during the first half of 2014 pending customary regulatory approvals.

GLS/Vinyls is a leading supplier of polyvinyl butyral and ionomer sheets for safety glass, and vinyl acetate monomer and polyvinyl alcohol (PVA) products used in a variety of architectural, automotive and industrial applications. GLS/Vinyls delivered full-year 2012 net sales of more than US\$500 million. It has about 600 employees with six manufacturing sites in the U.S., Europe and Asia that serve more than 350 customers worldwide.

[Keiji Murakami](#), president of Kuraray's Vinyl Acetate Company said, "Kuraray was one of the first to successfully industrialize and globally market PVA. As a pioneer of Vinyl Acetate related business, Kuraray has a global presence in the business area of PVA resin, PVB resin and film, PVA film that is used for LCD and detergent unit packing, EVOH (ethylene vinyl alcohol) resin (trademarked as EVAL) used for food packaging and gasoline tanks, and PVA fiber (vinylon) that is used for a substitute of asbestos and a reinforcing material of cement.

"We will benefit from DuPont's talented global GLS/Vinyls team and their technology, R&D, manufacturing and sales network that has supported it over the years. I am convinced these areas of expertise will allow us to continue to expand our Vinyl Acetate business going forward," said Murakami.

"GLS/Vinyls will have a good home with Kuraray. That company's focus on PVA as a central part of its core Vinyl Acetate business, its strong global market position and its capacity to invest in GLS/Vinyls all make this a good fit," said [William J. Harvey](#), president, DuPont Packaging & Industrial Polymers.

Kuraray was established in 1926. In 1950, the company achieved a corporate milestone as the first in the world to bring polyvinyl alcohol synthetic fiber to market. In subsequent years, Kuraray used its proprietary technology in the area of polymer chemistry and synthetic chemistry to develop resins, chemicals, fibers and textiles and others. Kuraray has overseas subsidiaries in 19 countries and regions outside Japan, as a global specialty chemical company. For more information, visit the company's website at www.kuraray.co.jp/en

DuPont has been bringing world-class science and engineering to the global marketplace in the form of innovative products, materials, and services since 1802. The company believes that by collaborating with customers, governments, NGOs, and thought leaders we can help find solutions to such global challenges as providing enough healthy food for people everywhere, decreasing dependence on fossil fuels, and protecting life and the environment. For additional information about DuPont and its commitment to inclusive innovation, please visit www.dupont.com.

Forward-Looking Statements: This news release contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “believes,” “intends,” “estimates,” “anticipates” or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the company’s growth strategy, product development, regulatory approval, market position, anticipated benefits of acquisitions, outcome of contingencies, such as litigation and environmental matters, expenditures and financial results, are forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on certain assumptions and expectations of future events which may not be realized. Forward-looking statements also involve risks and uncertainties, many of which are beyond the company’s control. Some of the important factors that could cause the company’s actual results to differ materially from those projected in any such forward-looking statements are: fluctuations in energy and raw material prices; failure to develop and market new products and optimally manage product life cycles; significant litigation and environmental matters; failure to appropriately manage process safety and product stewardship issues; changes in laws and regulations or political conditions; global economic and capital markets conditions, such as inflation, interest and currency exchange rates; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, weather events and natural disasters; ability to protect and enforce the company’s intellectual property rights; and successful integration of acquired businesses and separation of underperforming or non-strategic assets or businesses. The company undertakes no duty to update any forward-looking statements as a result of future developments or new information.

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11/21/13



November 21, 2013

Kuraray Co., Ltd.

Acquisition of VA related business from DuPont

Kuraray Co., Ltd. (“Kuraray”, or “the Company”) today reached to an agreement and concluded a Sale and Purchase Agreement to acquire the Vinyl Acetated related business (“VA related business”) which consists of vinyl acetate monomer (VAM), Poval (PVA) resin, polyvinyl butyral (PVB) resin and film from E. I. du Pont de Nemours and Company (“DuPont”, or “the Seller”) (“the Acquisition”). The completion of the Acquisition is targeted in the first half of 2014, pending customary regulatory approvals including anti-trust clearance.

1. Purpose for the Acquisition

Kuraray executes the Acquisition as part of its expansion plan in VA related business, which is one of its core businesses.

Ahead of its global competitors, Kuraray successfully industrialized PVA resin and it has a leading global presence in PVA resin which applies vinyl acetate as its raw material, Poval film, PVB resin and film, EVOH (ethylene vinyl alcohol) resin which is trademarked as EVAL, and PVA fiber (vinylon). Through the Acquisition, the fusion of the technology, R&D, sales capabilities, and manufacturing and sales network with DuPont is the key driver of Kuraray’s sustainable growth.

2. Summary of the Acquisition

Kuraray is set to acquire all the assets of VA related business from DuPont and the summary is as follows:

(1) Target Business	Business of DuPont related to the manufacture and sale of Vinyl Acetate related products (VAM, PVA, PVB etc.)
(2) Location	Manufacturing Sites: United States: 3 locations (Texas, North Carolina, and West Virginia) Europe: 2 locations (Germany, and the Czech Republic) Asia: 1 location (South Korea) In addition, there are offices (sales office, etc.) in North and Latin America, Europe, Japan, South Korea, China and other regions.
(3) Number of Employees	Approximately 600
(4) Financial Performance of	Net Sales: Approximately \$550 million in FY2012 Note 1 : The figure is provided by DuPont (unaudited)

Target Business	Note 2 : Profit figures are not disclosed due to the difficulty of allocating the accurate profit to the target business which is carved out from DuPont's reporting segment.
(5) Acquisition Price and Payment	Acquisition price is expected to be US \$543 million, plus the value of the inventories. Kuraray will pay the consideration by cash on hands.

Note : The total assets and liabilities of the target business is not disclosed due to the difficulty of assigning an appropriate value to the majority of the carved out assets, such as the manufacturing lines in the shared facilities, at this moment. The figures will be disclosed when the assessment has been completed.

3. Profile of the Seller

(1) Company Name	E. I. du Pont de Nemours and Company	
(2) Location of the Headquarter	Wilmington, DE (United States)	
(3) Key Management	Ellen J. Kullman , Chair of the Board & CEO	
(4) Description of the Business	Supplying of products, technology and services based on scientific technology	
(5) Capital Fund	\$543 million	
(6) Year of Establishment	1802	
(7) Net Asset	\$10,299 million (As of Dec 31, 2012)	
(8) Total Asset	\$49,859 million (As of Dec 31, 2012)	
(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	Limited business relationship in procurement of raw materials exists between Kuraray / Kuraray affiliated companies. The amount is immaterial
	Relationships as Related Parties	This company / this company's affiliated companies are not regarded as an related party with Kuraray

4. Timeline

(1) Date of Signing	November 21 st , 2013
(2) Anticipated Timing of Closing	First half of 2014 Note: Pending customary regulatory approvals including anti-trust clearance in USA and so on.

Note: At the board of directors meeting held on September 11, 2013, the resolution was passed to the effect that the final decision on this transaction and agreements related thereto shall be made at the discretion of Fumio Ito, Representative Director and President of Kuraray, to the extent not inconsistent with such resolution. Subsequently, the details of the negotiation process were reported at the board of directors meeting on November 20th, 2013, and Fumio Ito made the final decision on the

transaction and reached to the agreements on November 21st, 2013.

5. Accounting Treatment

This transaction will be treated as an acquisition for accounting purposes.

Positive goodwill is expected to arise through this transaction. However, the exact value is still in the process of assessment. Details will be disclosed once the value has been fixed.

6. Financial Impact

Since the closing is expected to be in the first half of 2014, there is no financial impact on the FY2013. The impact to FY 2014 and thereafter is currently being estimated.

(Reference) Consolidated financial outlook for FY2013 and result for FY 2012

(unit: millions of JPY)

	Net Sales	Operating Income	Ordinary Income	Net Income
Outlook for FY 2013 (April 1, 2013 – March 31, 2014)	420,000	55,000	53,500	32,000
Result for FY 2012 (April 1, 2012 – March 31, 2013)	369,431	49,197	48,590	28,798