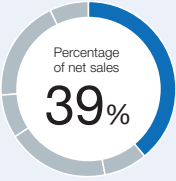




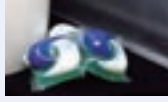

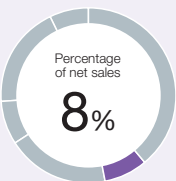





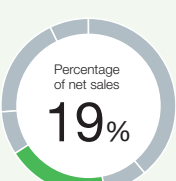

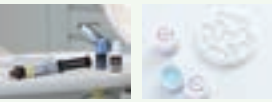

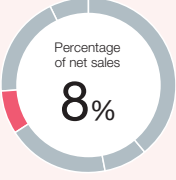
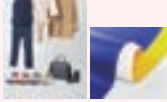




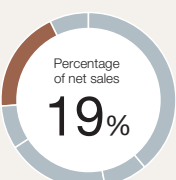

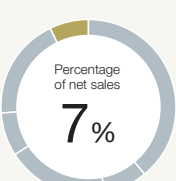
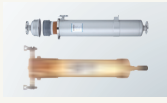



Business Overview

Segment name	Major products
<p>Vinyl Acetate</p>  <p>Percentage of net sales 39%</p>	<p>KURARAY POVAL™, ELVANOL™ (PVA resin)  Paper/fiber processing agents, adhesives, stabilizer for polyvinyl chloride polymerization, and others</p> <p>Trosifol™ (PVB film and Ionoplast interlayer)  Interlayer film for safety glass</p> <p>Optical-use PVA film  Polarizers for LCDs and others</p> <p>EVAL™ (EVOH resin)  Food packaging, automotive fuel tanks, stain-resistant wallpaper, vacuum insulation panels, and others</p> <p>Water-soluble PVA film  Unit dose detergents and others</p> <p>PLANTIC™ (Bio-based gas barrier material)  Food packaging materials</p>
<p>Isoprene</p>  <p>Percentage of net sales 8%</p>	<p>Isoprene chemicals  Cleaner, aroma chemical and cosmetic ingredients, pharmaceutical and agrochemical intermediates, and others <small>* One-of-a-kind products derived from synthetic isoprene (MMB, MPD, etc.)</small></p> <p>KURARITY™ (Acrylic thermoplastic elastomer)  Adhesives, molding materials, and others</p> <p>SEPTON™ (Thermoplastic elastomer)  Substitute for rubber, automobile parts, stationery, toys, sporting goods, and others</p> <p>GENESTAR™ (High heat-resistant polyamide resin)  Electronic parts of mobile devices and personal computers, LED reflector applications, automobile parts, and others</p> <p>Liquid rubber  Additive agent for automobile tires</p>
<p>Functional Materials</p>  <p>Percentage of net sales 19%</p>	<p>Methacrylic resin  Light guide plates for LCDs, automobile parts, signboards, construction materials, and others</p> <p>Dental materials  Various organic and inorganic dental materials</p> <p>Activated carbon  Water purification, wastewater treatment, capacitor electrode materials, and others</p>
<p>Fibers and Textiles</p>  <p>Percentage of net sales 8%</p>	<p>CLARINO™ (Man-made leather)  Men's and women's shoes, bags, athletic footwear, inflatable sports balls, and others</p> <p>MAGIC TAPE™ (Hook-and-loop fastener)  Clothing, sporting goods, industrial materials, and others</p> <p>KURALON™ (PVA fiber)  Reinforcing material for cement and concrete, automotive brake hoses, and others</p> <p>VECTRAN™ (High-strength polyarylate fiber)  Aerospace, composites, electronic components, ropes, sporting goods, and others</p> <p>KURAFLEX™ (Nonwoven fabrics)  Daily goods, industrial products (wipers, filtration media, automobile applications), and others</p>
<p>Trading</p>  <p>Percentage of net sales 19%</p>	<p>CLAVELLA™ (Polyester long filament)  Yarn and fabric for clothing and materials, sportswear, uniforms, and others</p> <p>Kuraray Group's products Purchase and sale of a wide range of high-performance products and processed products of the Kuraray Group</p>
<p>Others</p>  <p>Percentage of net sales 7%</p>	<p>Aqua business  Water purification, wastewater treatment, ballast water management system, and others</p> <p>VECSTAR™ (Liquid crystalline polymer film)  High-speed signal transmission flexible printed circuit boards and others</p>

Growth Strategy Business Overview
Measures implemented during "PROUD 2020"

Sales (Billions of yen) (Left) Operating income (Billions of yen) (Right)	Previous Medium-Term Management Plan/ Strategies for Each Business	Review of Measures by Business
<p>Vinyl Acetate</p> 	<p>PVA resin</p> <ul style="list-style-type: none"> Shift to high-value-added products Optimally manage global production operations <p>Optical-use PVA film</p> <ul style="list-style-type: none"> Expand and maintain a high market share in line with increasing demand for LCDs Add new functions and enhance workability to satisfy the latest market and customer needs <p>Water-soluble PVA film</p> <ul style="list-style-type: none"> Execute the timely expansion of production facilities in step with the growth in operations Allocate development resources to new industrial applications <p>PVB film</p> <ul style="list-style-type: none"> Bolster the development and sale of highly functional films for automobiles Expand sales of high-strength films for construction <p>EVAL™</p> <ul style="list-style-type: none"> Create new demand in emerging countries and boost sales Expand EVAL™-related operations to help reduce food wastage 	<ul style="list-style-type: none"> Achieved higher ratio of high-value-added products and bolstered the development of environmental-related products such as barrier paper and paper straws application Promoted global supply chain optimization <ul style="list-style-type: none"> Expanded production volume and sales by establishing additional production lines at the Kurashiki Plant in response to a growing demand for wide films in larger LCDs Pursued expansion of product lineup to meet customer needs, including thinner film <ul style="list-style-type: none"> Increased production capabilities in the United States and decided to construct a new plant in Poland in response to higher demand for unit dose detergent applications Promoted development activities for new applications, including unit dose for pharmaceuticals and cosmetics <ul style="list-style-type: none"> Achieved higher sales of highly functional films for automobiles as new customers adopted them Steadily expanded production of ionoplast interlayers SentryGlas™ for construction in the Czech Republic and strengthened the production base to ensure a stable supply <ul style="list-style-type: none"> Continued to cultivate demand in emerging countries Expanded the business for food packaging applications by proposing the use of EVAL™ to extend the expiry date in new markets
<p>Isoprene</p> 	<p>Isoprene chemicals</p> <ul style="list-style-type: none"> Pursue expansion of one-of-a-kind products Commercialize new isoprene-based chemicals <p>Elastomer</p> <ul style="list-style-type: none"> Build a more sophisticated product portfolio by enhancing their functionalities Boost global sales of liquid rubber <p>GENESTAR™</p> <ul style="list-style-type: none"> Expand the range of products for automotive applications, such as components for on-board electronics Develop new polymers 	<ul style="list-style-type: none"> Pursued market expansion of MMB and MPD (urethane raw materials) Proceeded with the development of additives that reduce the effect of oxygen on polymerization and materials that increase the affinity with biodegradable polymers based on Kuraray's raw materials and technologies <ul style="list-style-type: none"> Further advanced the market development of the SEPTON™ BIO-series in response to heightened environmental awareness Promoted market development of KURARITY™ for automotive interior parts and resin modifiers applications Expanded the new adoption of liquid rubber applications by tire manufacturers <ul style="list-style-type: none"> Globally expanded customers' adoption of high-voltage components due to the higher evaluation of withstand voltage characteristics reflecting the shift to EVs in automobiles Began sales and marketing of new polyamide resins with functionality
<p>Functional Materials</p> 	<p>Methacrylic</p> <ul style="list-style-type: none"> Expand the sales of newly developed products, such as multi-layered substrates and soft resin Bolster sales of highly functional grades of optical-use resin <p>Medical</p> <ul style="list-style-type: none"> Expand sales of CAD/CAM products Upgrade communication of information to users (dentists and dental technicians) <p>Carbon materials (activated carbon)</p> <ul style="list-style-type: none"> Swiftly achieve synergy via collaboration with Calgon Carbon Corporation Expand the range of products for automobile canisters and battery applications (capacitors and lithium-ion batteries) 	<ul style="list-style-type: none"> Expanded customers' adoption of multi-layered substrates for automotive applications and worked to boost sales of emulsion polymerized resin to sheet manufacturers and to expand sales of resin modifier applications Achieved sales expansion of highly functional grade resin for optical applications <ul style="list-style-type: none"> Achieved sales expansion of zirconia blocks mainly in North America and launched in Japan a new product, a resin block for front teeth, which is newly covered by insurance Promoted communication of information through seminars and video distribution <ul style="list-style-type: none"> Decided to expand a new carbon production line in the United States and a reactivated carbon production line in Belgium in response to growing demand after the acquisition of Calgon Carbon Corporation in 2018, laying the groundwork for business expansion Have been working with Calgon Carbon Corporation to develop markets mainly for automobiles and battery materials and will pursue further integration synergies as the Environmental Solutions Division from fiscal 2021
<p>Fibers and Textiles</p> 	<p>CLARINO™</p> <ul style="list-style-type: none"> Roll out products targeting luxury brands Achieve full-scale entry into the automobile interior market <p>Fiber materials</p> <ul style="list-style-type: none"> Expand production through revolutionary production process VIP for KURALON™ Strengthen profitability of VECTRAN™ and expand the business <p>Lifestyle materials</p> <ul style="list-style-type: none"> Expand sales of new melt-blown nonwoven fabrics Accelerate expansion into Southeast Asia 	<ul style="list-style-type: none"> Achieved progress with adoption by luxury brands and sports applications, by facilitating the development of environmentally friendly materials in response to rising sustainable demand Promoted customer evaluation of automobile interior applications to win orders <ul style="list-style-type: none"> Began full-scale operation of the KURALON™ VIP method with the expansion of customers' adoption mainly in industrial filaments Achieved progress in expanding high-value-added applications of VECTRAN™ to strengthen the product portfolio <ul style="list-style-type: none"> Commenced operation of the new melt-blown facility at the Okayama Plant of Kuraray Kuraflex Co., Ltd. in the latter half of 2020 and contributed to society by supplying highly functional mask filters in response to COVID-19 Focused on the overseas expansion of high-value-added products, such as nonwoven fabrics for face masks and molded plastic hook fasteners MAGILOCK™
<p>Trading</p> 	<ul style="list-style-type: none"> Increase the scale of business in Asia <ul style="list-style-type: none"> Boost revenue in the fibers and textiles business <ul style="list-style-type: none"> Strengthen initiatives with leading customers <ul style="list-style-type: none"> Launch new businesses 	<ul style="list-style-type: none"> Achieved progress in strengthening integrated production covering everything from raw materials to products, as well as improvement in creating high value-added products in Vietnam Pursued sales expansion and application development in the plastics and chemical products related field, mainly in Asia
<p>Others</p> 	<ul style="list-style-type: none"> Accelerate market cultivation of products from new businesses 	<ul style="list-style-type: none"> Have been considering higher production capacity for flexible copper-clad laminates VECSTAR™ FCCL in anticipation of market expansion for high-speed communication devices <ul style="list-style-type: none"> Expanded customers' adoption of polishing pads for semiconductors due to the demonstration of technological superiority mainly by domestic customers