

April 26, 2023
Kuraray Co., Ltd.

Notice Concerning Close the Lawsuits in U.S.

Kuraray America, Inc. (Headquarters: Texas, U.S.), a subsidiary of Kuraray Co., Ltd. reached settlements with the remaining plaintiffs in the lawsuits brought against Kuraray America, Inc. in Texas, U.S., except one whose motion to dismiss is expected to be granted soon, and the lawsuits have been substantially closed.

1. Background of the Lawsuits and Settlement

Several lawsuits were filed in Harris County District Courts in Texas alleging that more than 160 contract workers and others suffered injuries as a result of the fire incident at the Kuraray America, Inc.'s EVAL Plant on May 19, 2018 (the "Lawsuits").

Following the settlements with some of the plaintiffs announced in 2019 and 2020, Kuraray America, Inc. has reached settlements with the remaining plaintiffs in the Lawsuits, except one whose motion to dismiss is expected to be granted soon. By virtue of the settlements, the Lawsuits have been substantially closed.

2. Effect on Financials

In connection with the Lawsuits, Kuraray has recognized an extraordinary loss of JPY6.8 billion as litigation-related loss in the 1st quarter of the fiscal year ending December of 2023. We are currently investigating the impact on the financial results for the fiscal year ending December of 2023, and will make an announcement promptly if any revision to the current financial forecast is considered to require.

[Ref.] Consolidated financial results forecast for the fiscal year ending December 31, 2023 (announced February 9, 2023) and consolidated financial results for the previous fiscal year

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent
Consolidated financial results forecast (Fiscal year ending Dec-31, 2023)	830,000	84,000	79,000	51,000
Consolidated financial results (Fiscal year ended Dec-31, 2022)	756,376	87,139	84,060	54,307

3. Settlement Amount (in total)

The total amount for the settlements incurred up to the close of the Lawsuits is approximately JPY80 billion (US\$725.9 million).