



**~Realization of a high-profit specialty chemical company
with a global presence~**

Acquisition of Calgon Carbon

September 21, 2017

KURARAY CO., LTD.

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Management Plan “GS-STEP”**

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Transaction Overview

Target Company	Calgon Carbon Corporation (NYSE: CCC)
Purchase price	\$21.5 per share (41% premium to the 52-week average price of \$15.2)
Total Value	<ul style="list-style-type: none">➤ Equity Value: Approx. \$1,107mm (approx. JPY 121.8bn, \$1 = JPY110)➤ Enterprise Value: Approx. \$1,329mm (approx. JPY 146.2bn, \$1 = JPY110)
Funding Source	Primary through debt financing (no equity offering)
Structure	Cash merger between Calgon Carbon and a merger subsidiary of Kuraray Holdings, U.S.A., a wholly-owned subsidiary of Kuraray
Schedule	Closing expected by the end of December 2017, subject to Calgon Carbon's shareholder approval and the clearance of necessary regulatory approvals

Main Management Strategies of GS-STEP

Deepening of Core Businesses

- Vinyl acetate: Produce results from effects of M&A and other investment
- Isoprene: Lay the groundwork for further growth

Technological Innovation

- Establish new products/applications/processes
- Create new businesses

Next-Generation Growth Model

- Secure new business domains through alliances/M&A
- Establish an innovative business model

Optimum Allocation of Management Resources

- Allocate management resources optimally around the world
- Proactively use overseas personnel

Contribution to the Environment

- Expand range of products that contribute to the global environment
- Provide products using processes that reduce environmental load

Expanding Carbon Materials Business under the initiatives of “Next-Generation Growth Model” and “Contribution to the Environment”

FY2016

Consider innovations to build a growth strategy for the future

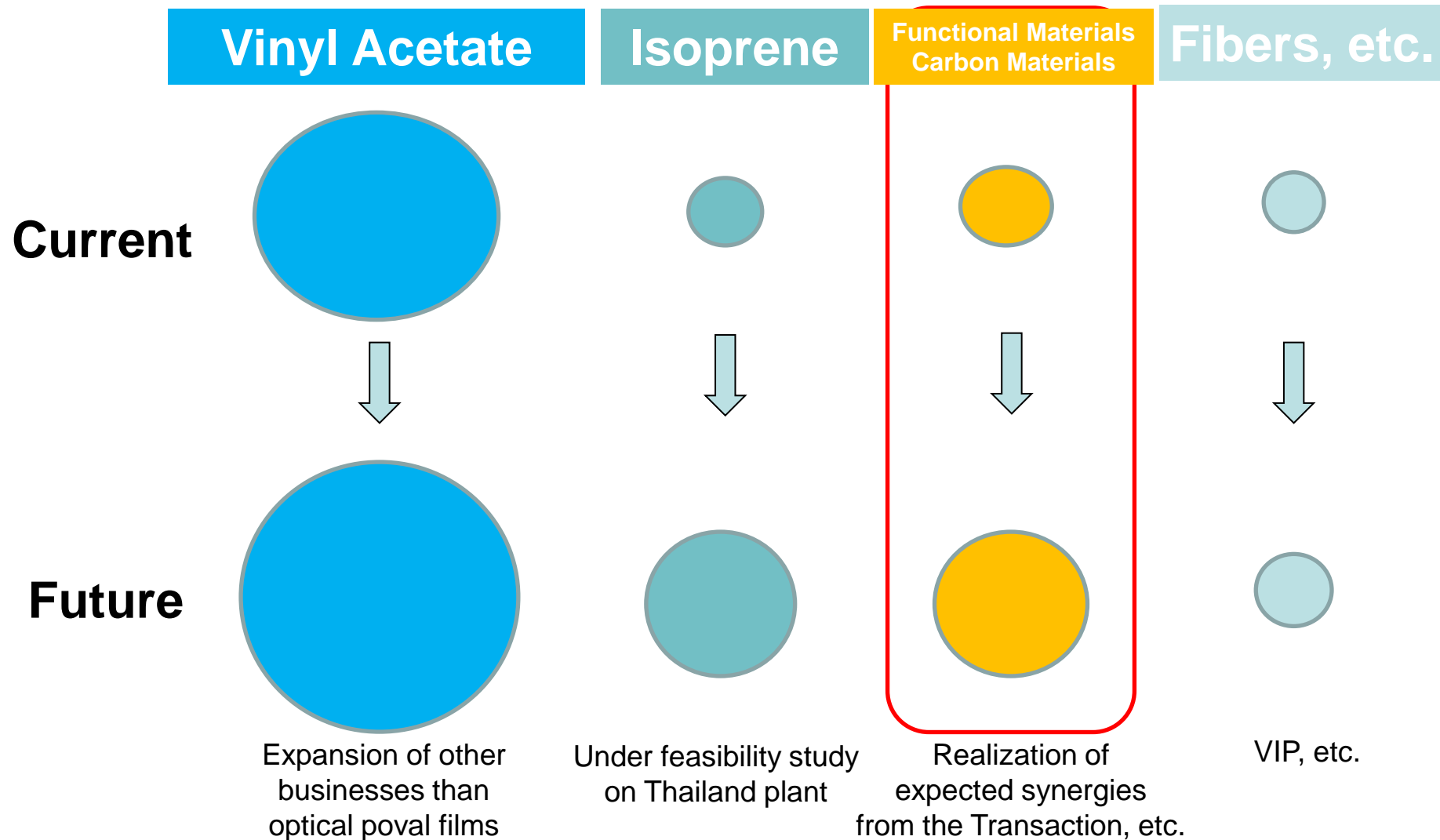
- Expanding the Carbon Materials Business
 - Merger of Subsidiary Kuraray Chemical Co., Ltd in January 2017
 - Establishment of the Carbon Materials Division by integrating with the Energy Materials Business Development Department

FY2017

Accelerate the expansion of Carbon Materials Business

- Enhance the global operation of Carbon Materials Business
 - Acquisition of Calgon Carbon

Our Targeted Illustrative Business Portfolio



Develop Carbon Materials business as our third core!!



Overview of Calgon Carbon

Company	Calgon Carbon Corporation (NYSE: CCC)
Established	1942
Headquarters	Suburb of Pittsburg, Pennsylvania, U.S.
CEO	Randall S. Dearth
Business Overview	Manufacture and sale of activated carbon and water treatment equipment
Sales	\$514mm (FY2016)
Number of Employees	1,334 (as of December 31, 2016)

Calgon Carbon's Global Network

Global network primarily in North America and Europe
Manufacturing facilities in 7 countries
Distribution channels in 16 countries



Strategic Rationale of the Transaction

Strategic Rationale of the Transaction

Business expansion in key strategic areas,
“aqua and environment” and “energy”

Key Strategic Initiatives after Closing

- Business expansion by leveraging Calgon Carbon’s strong global platform
- Accelerating technological innovations by combining R&D expertise
- Cost reductions by optimizing manufacturing facilities



**Early realization of
expected synergies**

Business Overview of Calgon Carbon

kuraray ~ Complementary Businesses ~  Pure Water. Clean Air. Better World.

	Kuraray Carbon Material Business	Calgon Carbon
Sales	JPY15.9bn (FY2016)	\$514mm (FY2016)
Number of Employees	Approx. 300 (as of Dec. 31, 2016)	1,334 (as of Dec. 31, 2016)
Locations	Manufacturing facilities: 3 countries Distribution channels: 4 countries	Manufacturing facilities: 7 countries Distribution channels: 16 countries
Major Products	Coconut shell-based AC Coal-based AC Nitrogen separation equipment Filter for water purifier	Coal-based AC Wood-based AC Reactivated coal-based AC UV sterilization equipment
Major Applications	Water purifier Air purifier Nitrogen separation Capacitor	Water purification Industrial waste water & gas Food & beverage purification Mercury removal
Major Markets	Japan, Asia	North America, Europe

Provide Solutions to Environmental Issues Globally

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- **Coconut shell-based and high-performance coal-based AC**
- **Sales primary in Japan and Asia**
- **Strengths in specialty solutions**
Solutions in high-end areas, such as water purifiers, air purifiers, capacitors, absorption of evaporated gasoline, and nitrogen generator

CalgonCarbon®
Pure Water. Clean Air.
Better World.

- **Coal-based and wood-based AC**
- **Sales primary in North America and Europe**
- **Strengths in total solutions**
Large-scale solutions in a wide-range of areas, such as advanced water purification, odor/mercury removal, food & beverage purification, industrial wastewater, and regeneration system

- **Comprehensive AC manufacturer with coal-, coconut shell- and wood-based product offerings**
- **Strong global player contributing to solve environmental issues**
- **Develop new products and technologies by integrating our capability of technology and developing applications**

Financial Impact

Funding	<ul style="list-style-type: none">➤ Step 1 Total amount of funds necessary to complete the transaction will be funded through bridge loans➤ Step 2 We will shift to take-out financing primary through debt. Details will be determined based on business, financial and market situations post closing (no plan for equity offering)
P/L Impact	<ul style="list-style-type: none">➤ Details will be disclosed following closing, including the timing of consolidation, expected synergies, and expected goodwill amortization expenses
Shareholder Returns	<ul style="list-style-type: none">➤ Maintain our basic policy of “higher allocation of profits through sustained improvement in business results”

Calgon Carbon's Financial Performance

(USD in millions)

		FY2014	FY2015	FY2016	FY2017 1H	FY2017(E)
Sales	Legacy business	555	535	502	247	
	New acquired business*1			12	49	
	Total	555	535	514	296	
Operating Profit		75	65	25	17	45 - 50
<i>Operating Profit Margin %</i>		13%	12%	5%	6%	
EBITDA		103	100	60		
<i>EBITDA Margin %</i>		19%	19%	12%		

*1 Derives from the acquisition of CECA business in November 2016.

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All figures are rounded to the nearest hundred million yen.

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