

Press Release

Kureha to acquire and dissolve Kureha Battery Materials Japan and take over its lithium-ion battery materials venture business

Tokyo, Japan, December 2, 2015 - Kureha Corporation (“Kureha”) today announced that it had reached an agreement with Itochu Corporation (“Itochu”), Kuraray Co., Ltd. (“Kuraray”) and the Innovation Network Corporation of Japan (“INCJ”) to dissolve Kureha Battery Materials Japan Co., Ltd. (“KBMJ”), a joint venture that manufactures and sells materials for lithium-ion batteries (“LiBs”).

Under the agreement, Kureha will acquire the equity stakes in KBMJ owned by Itochu, Kuraray and INCJ, and assume full ownership of the company. KBMJ’s LiB materials business will be transferred to Kureha, who will assume manufacturing and sales of CARBOTRON® P, a hard carbon anode material for LiBs, as well as KF Polymer binder material for LiBs from April 1, 2016. KBMJ will be dissolved after the business transfer.

Background to the dissolution of KBMJ

KBMJ was jointly established in April 2011 by Kureha and Itochu for the manufacture and sale of CARBOTRON® P and for the sale of LiB binder material.

The company commenced operations in October 2011. In August 2012, Kuraray and INCJ acquired equity stakes in the joint venture. Kuraray aimed to promote commercialization of BIOCARBOTRON, a plant-based hard carbon anode material for LiBs, and INCJ aimed to finance potential innovative businesses. Together the four companies formed the financial framework with nearly JPY 20 billion to enable KBMJ to expand its LiB materials business globally.

KBMJ has made progress in expanding its business and advancing product development. However, with demand for hard carbon anode materials stagnating due to slower-than-expected market growth for electric vehicle LiBs, the four companies reviewed the joint venture’s strategic direction and concluded that there was no need for further investment. Kureha, Itochu, Kuraray and INCJ agreed to dissolve the joint venture and individually develop LiB materials businesses in their respective areas of strength.

Upon taking over from KBMJ the assets necessary to operate the LiB materials business, Kureha will begin to manufacture and sell CARBOTRON® P and KF Polymer binder from April 1, 2016. All former full-time employees of KBMJ, except for those being repatriated by Kureha, Itochu and Kuraray, will be employed by Kureha if they so desire.

Schedule

- End of December 2015: Kureha to complete acquisition of Itochu's and Kuraray's equity stakes in KBMJ
- KBMJ to sell its stake in Bio Hard Carbon Co., Ltd., a joint venture established by KBMJ and Kuraray Chemical Co., Ltd. (100% subsidiary of Kuraray) which manufactures and sells plant-based hard carbon anode materials
- End of January 2016: Kureha to complete acquisition of INCJ's equity stake in KBMJ

Impact on financial results

Kureha expects the dissolution and business transfer to have only a marginal impact on its consolidated results for the year ending March 31, 2016.

About KBMJ

- Company name: Kureha Battery Materials Japan Co., Ltd.
Established : April 2011
Head office: 3-3-2 Nihonbashi Hama-cho, Chuo-ku, Tokyo, Japan
President: Futoshi Saito
Capital: JPY 1,039 million
Voting rights: Kureha 50.1%, Itochu 20%, Kuraray 20%, INCJ 9.9%
Fiscal year-end: March 31
Net sales: JPY 6,100 million (fiscal year ended March 31, 2015)

For more information, please contact:
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