April 8, 2015
Kuraray Co., Ltd.

Notice Concerning the Acquisition of Australia-based Plantic Technologies Limited

Kuraray (Headquarters: Chiyoda-ku, Tokyo; President: Masaaki Ito) announced completion of the acquisition of all of the shares in Plantic Technologies Limited (based in Australia and hereinafter referred to as Plantic), which is engaged in the bio-based barrier film business, from Gordon Merchant No.2 Pty Ltd on April 2, 2015.

Objective of the Acquisition

Kuraray expands into bio-based barrier materials through the acquisition of Plantic.

Kuraray was the first to commercialize the high-performance barrier resin, *EVAL* (ethylene vinyl alcohol copolymer), which it launched in 1972. *EVAL* boasts the highest level of gas barrier properties of all plastics and is the market leading barrier resin used in food packaging and industrial barrier applications. In addition Kuraray has developed and launched *KURARISTER* a transparent barrier film for retort applications.

The acquisition of Plantic enables Kuraray to provide barrier materials which meets the increasing global demand of bio-based food packaging materials. This is in line with Kuraray's corporate mission "we in the Kuraray Group are committed to opening new fields of business using pioneering technology and contributing to an improved natural environment and quality of life". As a world leading producer of barrier materials, Kuraray will further develop its business through the addition of Plantic's best in class bio-based barrier material.

Plantic is a global leader in bio-based barrier materials. *PLANTIC* film is used in a broad range of products in the barrier packaging sector and is supplying major supermarkets and brand owners on three continents (Australia, North America and Europe) in applications such as fresh case ready beef, pork, lamb and veal, smoked and processed meats, chicken, and fresh seafood and pasta applications. Kuraray expects that its global sales network will assist to develop the bio-based barrier business in Europe, USA and Asia, responding to the global demand of improved freshness, reduced food loss and waste with the use of environmentally friendly material, *PLANTIC* film.

In the Australian market *PLANTIC* film is well known and is being used by a major supermarket. In the United States, the largest meat consumer country, Plantic has commenced supply to a number of brand owners and retailers and Kuraray will further develop Plantic's business including the potential establishment of a production base or an alliance with third parties. In Japan where the demand for extension of shelf life for fresh meat and other fresh food is increasing, Kuraray can assist its customers to reduce food loss and waste with the environmentally friendly material, *PLANTIC* film. These market developments are expected to expand the bio-based barrier material business and we expect to achieve revenue of JPY 10 billion globally over the next 3 years.

In addition there are significant synergies between Kuraray's existing barrier business and Plantic's bio-based barrier technology which will drive new applications. Further, Kuraray's market leading technology and global sales network is expected to accelerate the development and expansion of a barrier material business including Plantic's technology.

Reference

Overview of Plantic

Company name	: Plantic Technologies Limited
Year of the establishment	: 2001
Location	: Altona, Victoria, Australia
Representative	: Brendan Morris (CEO)
Revenue	: Approx. JPY 3 billion (2015 estimate)
Number of employees	: Approx. 70
Principal businesses	: Manufacture and sale of biomass-based barrier product, *PLANTIC* film

Plantic is based in Australia, where its head office, principal manufacturing, and research and development facilities are located, providing barrier packaging products primarily composed of bio-based resources to the global market. Plantic's globally unique patented polymer technology is based on the use of high-amylose starch, a material derived from annual harvesting of specialized non-GM (hybrid) starch. Plantic's business has grown rapidly since the launch of its environmentally friendly and organic material with the gas barrier property. Plantic has customers including major supermarkets and brand owners on three continents (Australia, North America and Europe) in applications such as fresh case ready beef, pork, lamb and veal, smoked and processed meats, chicken, and fresh seafood and pasta applications.

In advance of the acquisition, Kuraray concluded a contract with Plantic to be the exclusive distributor of Plantic in the Japanese and South Korean markets and began promoting the biomass-based barrier material *PLANTIC* film in Japan. Please see the details in the previous news release of "Promoting *PLANTIC* Film, a Biomass-Derived Barrier Film, in the Japanese Market" as of September 22, 2014 as below.

http://www.kuraray.co.jp/en/release/2014/140922.html