



**kuraray**

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# **FY2026 1Q Earnings Presentation**

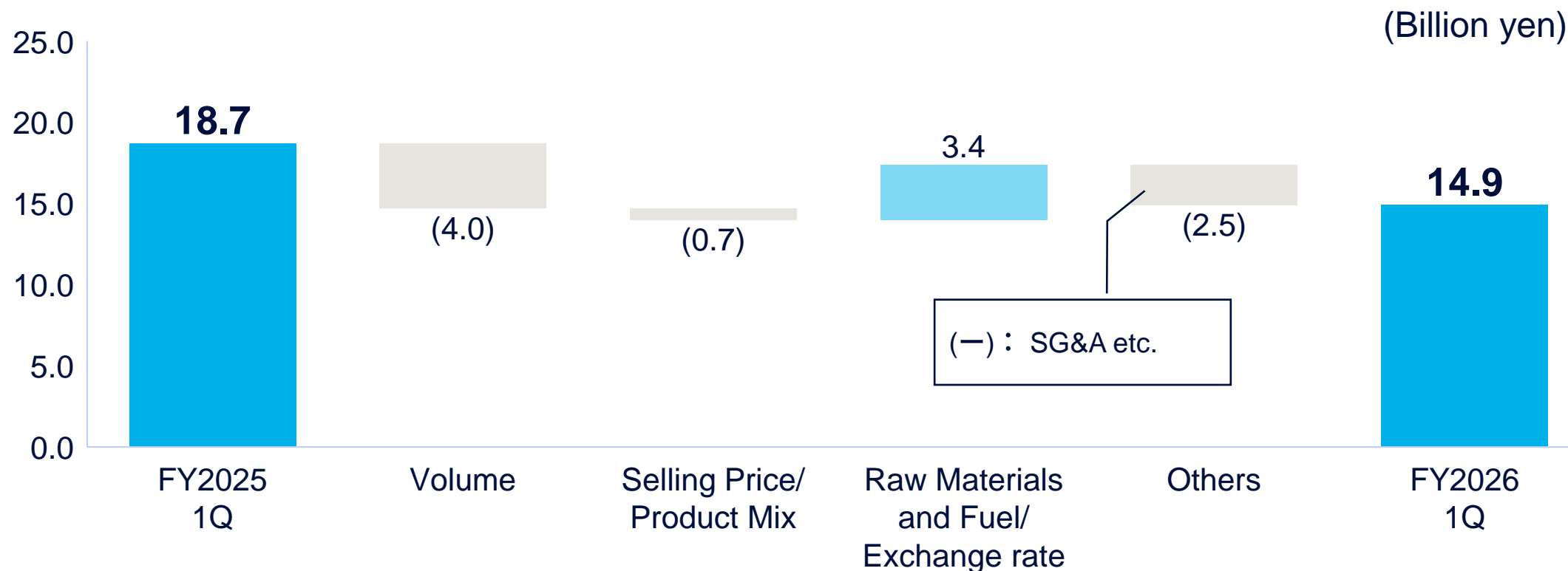
**KURARAY CO., LTD.**

**May 13, 2026**

(Billion yen)

	FY2026 1Q	FY2025 1Q	Difference
<b>Net Sales</b>	<b>200.9</b>	194.8	6.1
<b>Operating Income</b>	<b>14.9</b>	18.7	(3.8)
<b>Ordinary Income</b>	<b>13.7</b>	17.8	(4.1)
<b>Net Income Attributable to Owners of the Parent</b>	<b>7.8</b>	12.0	(4.2)
	<b>Reference</b>		
JPY/USD (average)	157	153	
JPY/EUR (average)	184	161	
Domestic naphtha JPY 1,000/kl	66	73	
US natural gas USD/MMBtu	3.5	3.9	
Europe natural gas EUR/MWh	42	47	

# FY2026 1Q Factors Affecting the Change in Operating Income



	FY2025 1Q	FY2026 1Q		FY2025 1Q	FY2026 1Q
JPY/USD (average)	153	157	Domestic naphtha JPY 1,000/kl	73	66
JPY/EUR (average)	161	184	US natural gas USD/MMBtu	3.9	3.5
			Europe natural gas EUR/MWh	47	42

# Net Sales and Operating Income by Segment

(Billion yen)

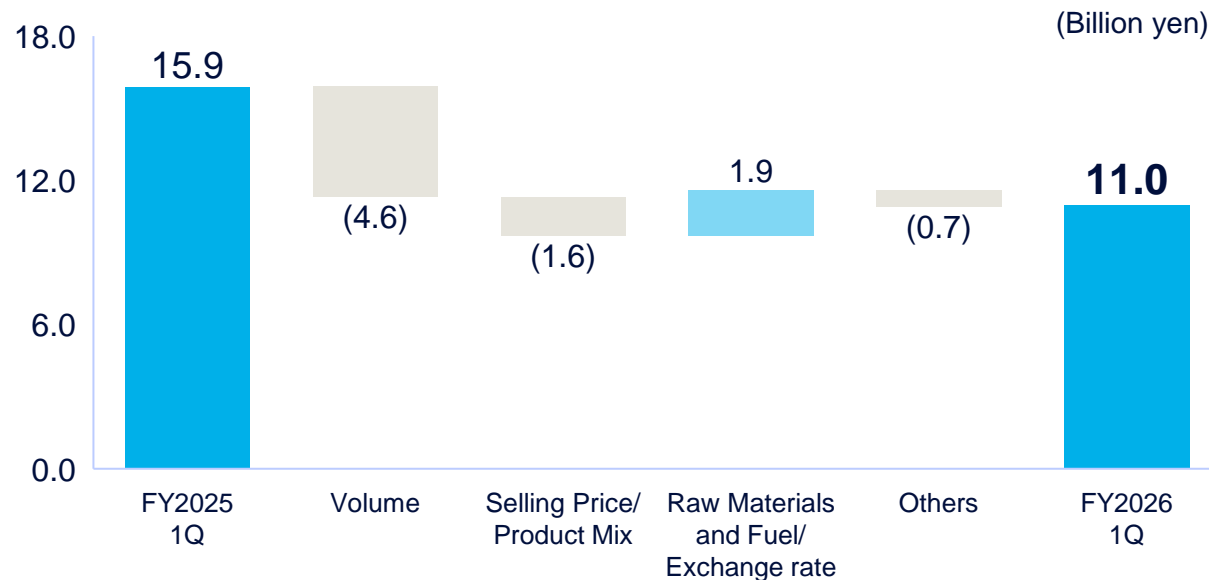
	FY2026 1Q		FY2025 1Q		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
<b>Vinyl Acetate</b>	101.9	11.0	100.4	15.9	1.5	(4.9)
<b>Isoprene</b>	21.5	2.9	19.7	2.8	1.8	0.1
<b>Functional Materials</b>	52.8	3.4	47.8	1.4	5.0	2.0
<b>Fibers &amp; Textiles</b>	14.0	1.1	13.4	(0.6)	0.5	1.7
<b>Trading</b>	17.8	1.6	16.7	1.4	1.1	0.2
<b>Others</b>	7.2	0.4	10.9	0.8	(3.7)	(0.4)
<b>Elimination &amp; Corporate</b>	(14.3)	(5.5)	(14.1)	(3.0)	(0.2)	(2.5)
<b>Total</b>	200.9	14.9	194.8	18.7	6.1	(3.8)

\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from "Others" to "Functional Materials." Accordingly, figures presented under result for FY2025 reflect this change.

(Billion yen)

	FY2025 1Q	FY2026 1Q	Difference
Net Sales	100.4	<b>101.9</b>	1.5
Operating Income	15.9	<b>11.0</b>	(4.9)

### 【Factors Affecting the Change in Operating Income】

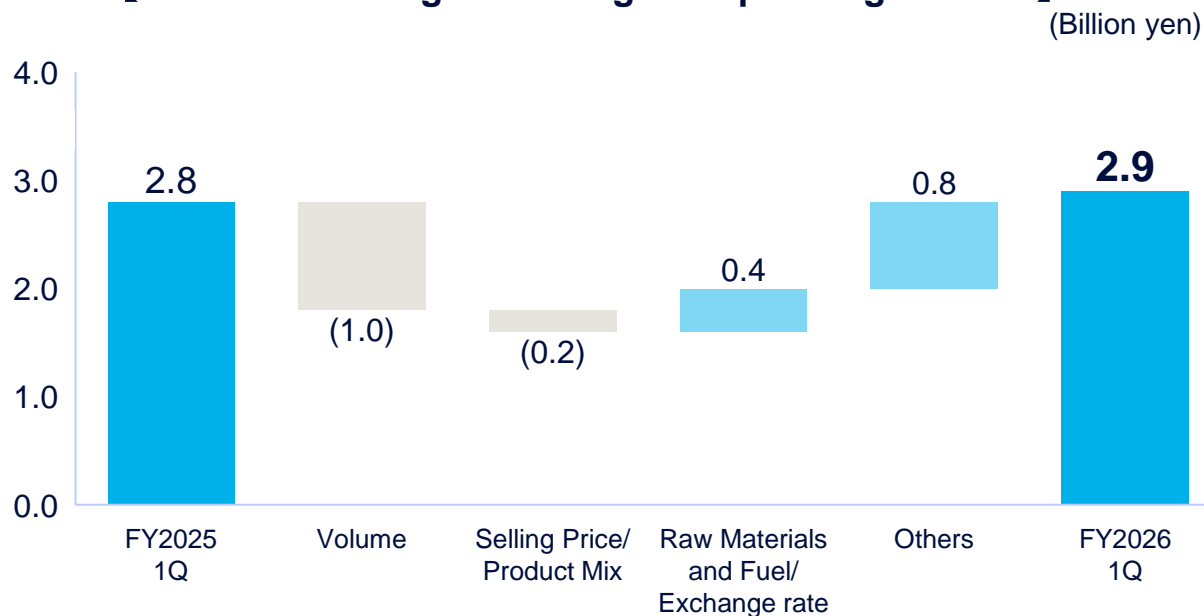


<b>PVOH resin</b>	Amid disruptions in the Middle East, sales volume declined due to overall sluggish demand, although some demand was captured by taking advantage of the global supply system.
<b>Optical-use poval film</b>	Sales volume increased as a result of an accumulation of inventories across the supply chain due to concerns around component procurement and product deliveries against the backdrop of a semiconductor memory shortage and the Middle East situation in addition to demand for buying new televisions for international sporting events.
<b>Advanced Interlayer Solutions</b>	Sales volume of PVB film decreased for both architectural and automotive applications due to the continued competitive environment, especially in Europe and Asia, and sales volume of SentryGlas™ also decreased due to the postponement of projects, etc.
<b>Water-soluble PVOH film MonoSol</b>	Sales volume decreased due to weak demand for soluble-unit-dose detergent.
<b>EVAL™</b>	Overall sales volume increased due to steady sales for both food packaging and automotive applications, as well as capturing demand by taking advantage of the global supply system.
<b>Main reason of increase/decrease</b>	Overall segment income decreased due to deteriorated capacity utilization and price adjustments in some businesses.

(Billion yen)

	FY2025 1Q	FY2026 1Q	Difference
Net Sales	19.7	21.5	1.8
Operating Income	2.8	2.9	0.1

### 【Factors Affecting the Change in Operating Income】



#### Isoprene Chemicals and Elastomers

As a result of a pull-forward in demand in the previous year caused by U.S. tariff policies in addition to stagnant demand for construction applications in China, the volume of isoprene chemical sales decreased. Sales volumes of elastomers increased, but were impacted by intensified competition with Asian competitors in the European market and other regions.

#### GENESTAR™

Sales volume increased due to expanded sales for both electric and electronic applications and automotive applications.

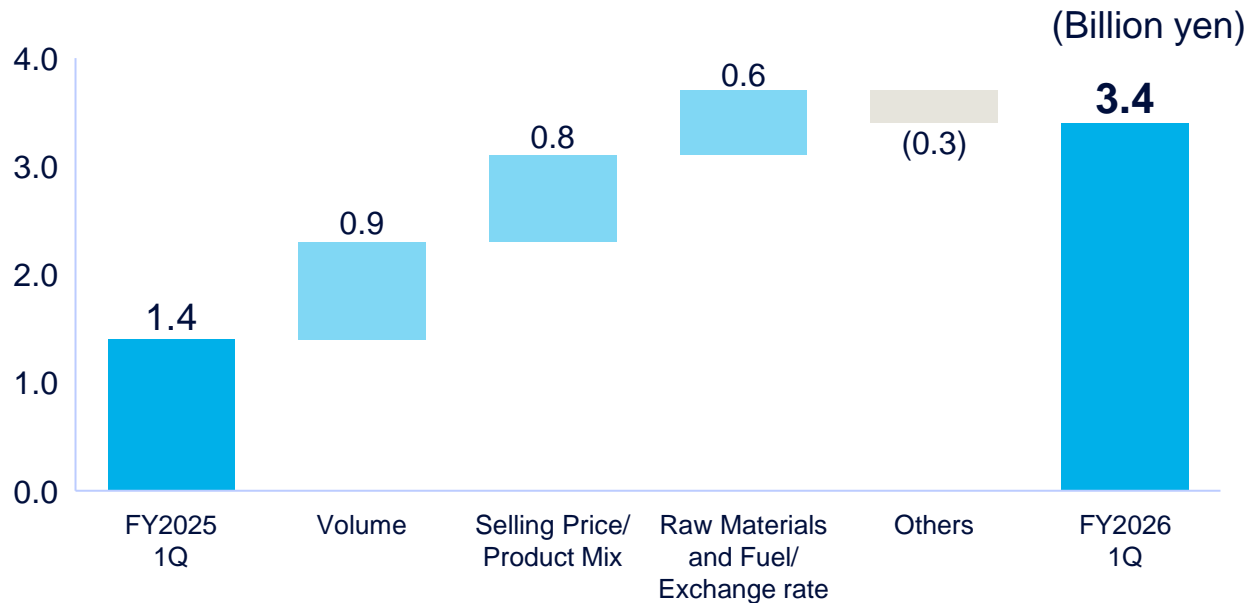
#### Main reason of increase/decrease

Segment income was partially negatively affected by inventory valuation differences, although there was a positive effect of lower depreciation expenses due to impairment losses recorded in the previous year.

(Billion yen)

	FY2025 1Q	FY2026 1Q	Difference
Net Sales	47.8	<b>52.8</b>	5.0
Operating Income	1.4	<b>3.4</b>	2.0

### 【Factors Affecting the Change in Operating Income】



<b>Methacrylate</b>	Sales volume fell due to a reduction in production capacity for methyl methacrylate and some downstream products from July 2025.
<b>Medical</b>	Sales remained firm overall.
<b>Environmental Solutions</b>	Demand for activated carbon remained stable, and sales volume increased. In addition, price revisions also progressed.

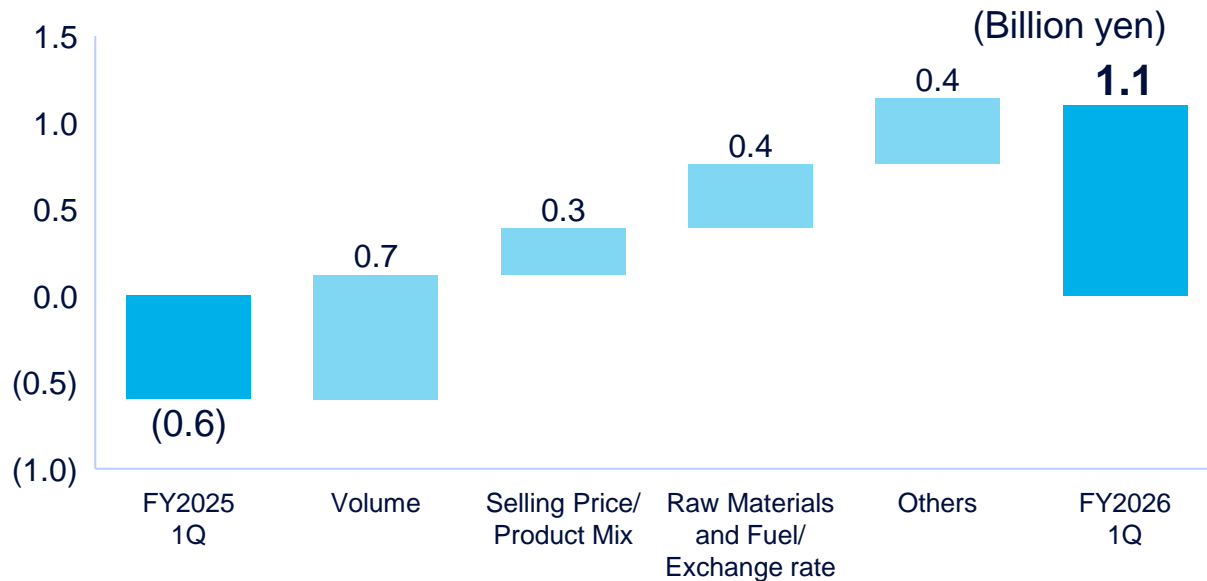
<b>Main reason of increase/decrease</b>	In addition to steady sales, the segment income as a whole benefited from the positive effect of foreign exchange rates.
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\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

(Billion yen)

	FY2025 1Q	FY2026 1Q	Difference
Net Sales	13.4	<b>14.0</b>	0.5
Operating Income	(0.6)	<b>1.1</b>	1.7

### 【Factors Affecting the Change in Operating Income】



<b>CLARINO™</b>	Sales volume increased amid a recovery in sales, mainly for footwear applications.
<b>Fibers and Industrial Materials</b>	Demand recovered, especially for VECTRAN™, and sales volume increased. Sales remained flat despite the negative impact of the withdrawal from the dry-laid nonwoven fabrics business.

<b>Main reason of increase/decrease</b>	Segment income increased due to higher sales volume of CLARINO™ and VECTRAN™.
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(Billion yen)

	Mar. 31, 2026	Dec. 31, 2025	Difference
<b>Current Assets</b>	<b>581.3</b>	578.4	2.9
<b>Non-current Assets</b>	<b>734.7</b>	725.1	9.6
<b>Total Assets</b>	<b>1,316.1</b>	1,303.5	12.5

	Mar. 31, 2026	Dec. 31, 2025
JPY/USD (end of period)	160	157
JPY/EUR (end of period)	183	184

(Billion yen)

	Mar. 31, 2026	Dec. 31, 2025	Difference
<b>Current Liabilities</b>	<b>233.3</b>	228.2	5.1
<b>Non-current Liabilities</b>	<b>329.8</b>	320.1	9.7
<b>Total Liabilities</b>	<b>563.1</b>	548.3	14.8
<b>Net Assets</b>	<b>752.9</b>	755.2	(2.3)
<b>Total Liabilities and Net Assets</b>	<b>1,316.1</b>	1,303.5	12.5
<b>Equity Ratio</b>	<b>56.2%</b>	57.0%	(0.7)%
	Mar. 31, 2026	Dec. 31, 2025	
JPY/USD (end of period)	160	157	
JPY/EUR (end of period)	183	184	

# Progress of FY2026 1Q Sales Volume in 1H Plan

Segment and Business		Sales Volume Progress	Comments
Vinyl Acetate	PVOH resin		Production in Japan and Singapore was down due to the situation in the Middle East. Utilized bases in Europe and the U.S. to capture demand
	Optical-use poval film		Sales volume increased because demand was brought forward from 2Q onward against the backdrop of tight supplies of various materials and the situation in the Middle East.
	Advanced Interlayer Solutions		Sales volume decreased due to sluggish demand, especially for European building applications, and intensified competition.
	Water-soluble PVOH film MonoSol		Largely as planned
	EVAL™		Largely as planned
Isoprene	Isoprene Chemicals and Elastomers		Utilized the Thailand base to capture demand for certain products where supply and demand were tight.
	GENESTAR™		Largely as planned
Functional Materials	Methacrylate		Sales volume decreased due to deteriorating demand.
	Medical		Largely as planned
	Environmental Solutions		Largely as planned
Fibers & Textiles	CLARINO™		Largely as planned
	Fibers and Industrial Materials		Sales volume decreased, reflecting lower demand for KURALON™, despite strong demand for VECTRAN™.

\*The arrows indicate the progress of the sales volume in the 1Q FY2026 against the 1H FY2026 plan.

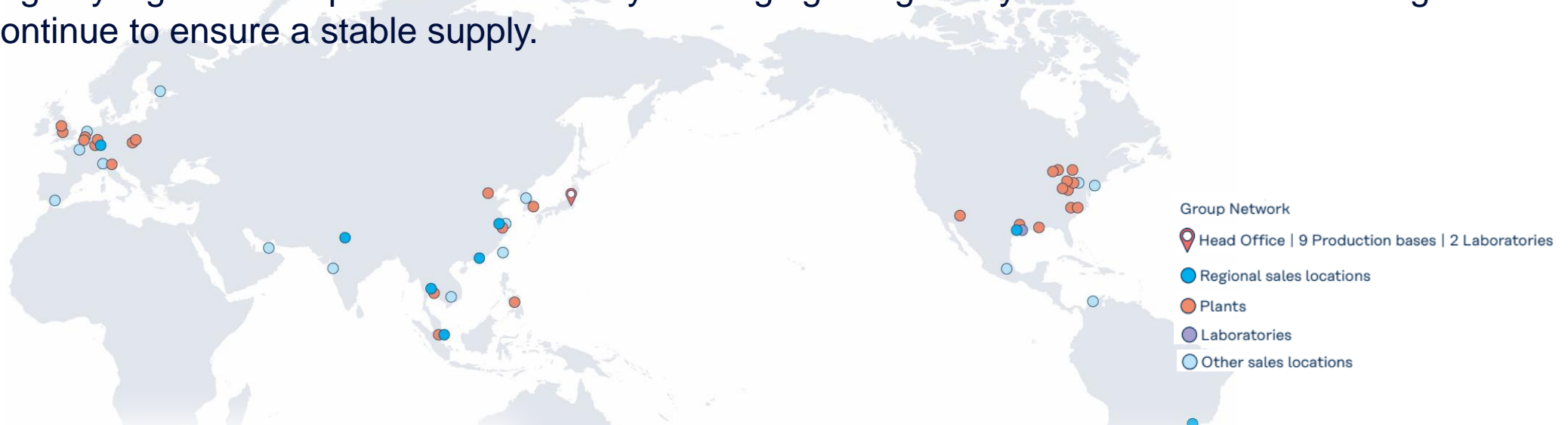
Potential Implications	Our Response
<ul style="list-style-type: none"> <li>• Partial reduction of production due to restrictions on procurement of raw materials and fuel such as ethylene, butadiene, etc. (Japan, Singapore)</li> <li>• Global cost increases in raw material and fuel prices, utility costs, logistics costs, etc.</li> <li>• Special demand against a backdrop of logistics disruptions. Fluctuations in demand due to concerns over material procurement (front-loaded demand and the subsequent rebound)</li> <li>• Decrease in demand due to inflation, supply chain disruptions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce procurement risk by diversifying and decentralizing procurement sources</li> <li>• Ensure stable supply and flexible production capabilities by promoting optimal production locations leveraging our global supply network</li> <li>• Continue cost reduction efforts through internal initiatives. Implement price revisions to maintain quality and stable supply</li> </ul>



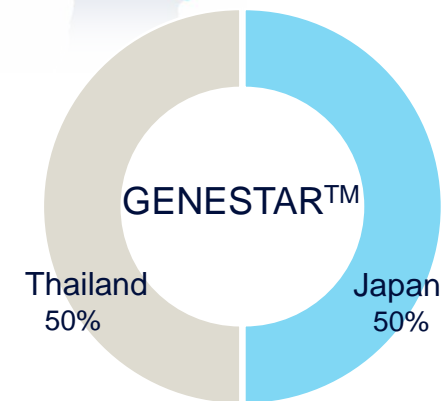
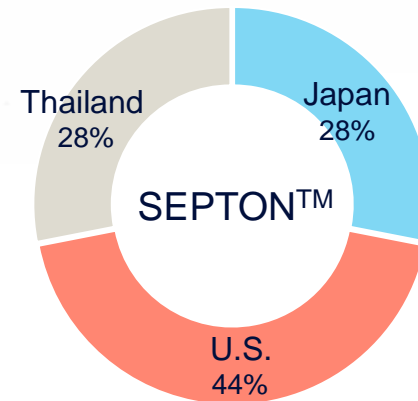
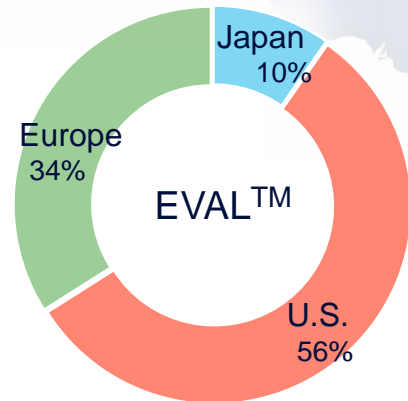
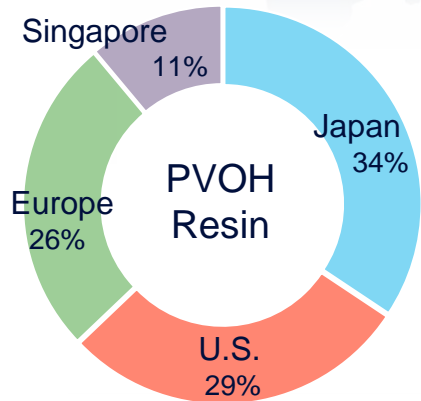
As the situation continues to change rapidly and it remains difficult to make a reasonable forecast, we have not conducted a review of our consolidated earnings forecast at this time.

If it becomes possible to make a reasonable forecast in the future and a review indicates that an update is necessary, we will promptly disclose the relevant information.

Due to the situation in the Middle East, certain constraints have emerged in raw materials and fuel procurement at bases in Japan and Singapore. Meanwhile, other bases in the U.S., Europe, Thailand, and other regions are not experiencing any significant impact at this time. By leveraging our globally diversified manufacturing footprint, we continue to ensure a stable supply.



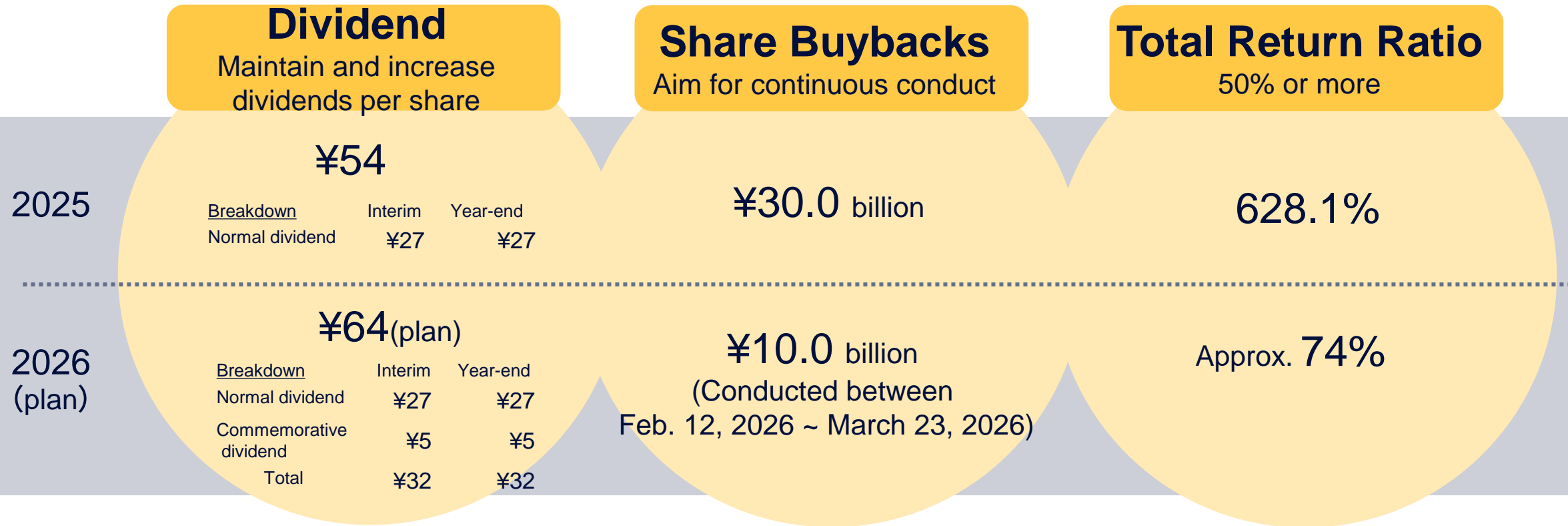
Production capacity by country/region:



Bases and production capacity as of December 2025

# Shareholder Return

- Completed share buyback of 5,829 thousand shares on March 23, 2026.  
Decided cancellation of treasury stocks of 5,830 thousand shares at the Board of Directors meeting on May 13, 2026
- Dividend forecast remains unchanged



(Billion yen)

	FY2026 Forecast (Feb. 10, 2026)			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
<b>Net Sales</b>	<b>410.0</b>	<b>440.0</b>	<b>850.0</b>	400.0	408.5	808.4	10.0	31.5	41.6
<b>Operating Income</b>	<b>24.0</b>	<b>46.0</b>	<b>70.0</b>	26.3	32.6	58.9	(2.3)	13.4	11.1
<b>Ordinary Income</b>	<b>21.0</b>	<b>43.0</b>	<b>64.0</b>	21.3	30.2	51.5	(0.3)	12.8	12.5
<b>Net Income Attributable to Owners of the Parent</b>	<b>13.0</b>	<b>27.0</b>	<b>40.0</b>	14.0	(6.6)	7.5	(1.0)	33.6	32.5

Reference:

JPY/USD (average)	150	150	148	150
JPY/EUR (average)	175	175	162	169
Domestic naphtha (JPY 1,000/kl)	61	61	71	68
US natural gas USD/MMBtu	3.8	3.8	3.7	3.6
Europe natural gas EUR/MWh	37	37	41	37

# 【Ref.】 Net Sales Forecast by Segment

(Billion yen)

	FY2026 Forecast			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	205.0	215.0	420.0	202.9	201.6	404.5	2.1	13.4	15.5
Isoprene	44.0	49.0	93.0	39.9	40.4	80.4	4.1	8.6	12.6
Functional Materials	106.0	116.0	222.0	98.6	109.3	207.8	7.4	6.7	14.2
Fibers & Textiles	31.0	32.0	63.0	29.8	31.0	60.7	1.2	1.0	2.3
Trading	34.0	36.0	70.0	33.9	34.9	68.8	0.1	1.1	1.2
Others	17.0	24.0	41.0	21.7	18.2	39.9	(4.7)	5.8	1.1
Elimination & Corporate	(27.0)	(32.0)	(59.0)	(26.8)	(26.9)	(53.7)	(0.2)	(5.1)	(5.3)
<b>Total</b>	<b>410.0</b>	<b>440.0</b>	<b>850.0</b>	400.0	408.5	808.4	10.0	31.5	41.6

\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

# 【Ref.】 Operating Income Forecast by Segment

(Billion yen)

	FY2026 Forecast			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	22.0	41.0	63.0	29.9	32.7	62.5	(7.9)	8.3	0.5
Isoprene	1.5	1.5	3.0	(1.3)	(3.6)	(4.9)	2.8	5.1	7.9
Functional Materials	6.0	8.5	14.5	1.7	7.2	8.9	4.3	1.3	5.6
Fibers & Textiles	1.5	3.0	4.5	(0.1)	2.7	2.6	1.6	0.3	1.9
Trading	3.0	3.5	6.5	3.0	3.0	6.0	0.0	0.5	0.5
Others	0.0	1.0	1.0	1.9	1.8	3.7	(1.9)	(0.8)	(2.7)
Elimination & Corporate	(10.0)	(12.5)	(22.5)	(8.9)	(11.2)	(20.1)	(1.1)	(1.3)	(2.4)
<b>Total</b>	<b>24.0</b>	<b>46.0</b>	<b>70.0</b>	<b>26.3</b>	<b>32.6</b>	<b>58.9</b>	<b>(2.3)</b>	<b>13.4</b>	<b>11.1</b>

\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

# 【Ref.】 Quarterly Net Sales by Segments

(Billion yen)

	FY2025					FY2026
	1Q	2Q	3Q	4Q	FY	1Q
<b>Vinyl Acetate</b>	100.4	102.5	98.5	103.1	404.5	101.9
<b>Isoprene</b>	19.7	20.3	18.6	21.9	80.4	21.5
<b>Functional Materials</b>	47.8	50.8	50.6	58.7	207.8	52.8
<b>Fibers &amp; Textiles</b>	13.4	16.3	14.0	17.0	60.7	14.0
<b>Trading</b>	16.7	17.2	15.1	19.7	68.8	17.8
<b>Others</b>	10.9	10.8	9.6	8.7	39.9	7.2
<b>Elimination &amp; Corporate</b>	(14.1)	(12.7)	(12.9)	(14.0)	(53.7)	(14.3)
<b>Total</b>	194.8	205.2	193.5	215.0	808.4	200.9

\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

# 【Ref.】 Quarterly Operating Income by Segments

(Billion yen)

	FY2025					FY2026
	1Q	2Q	3Q	4Q	FY	1Q
Vinyl Acetate	15.9	14.0	18.7	14.0	62.5	11.0
Isoprene	2.8	(4.1)	(0.9)	(2.7)	(4.9)	2.9
Functional Materials	1.4	0.4	3.0	4.2	8.9	3.4
Fibers & Textiles	(0.6)	0.5	1.4	1.3	2.6	1.1
Trading	1.4	1.7	1.2	1.8	6.0	1.6
Others	0.8	1.1	1.1	0.7	3.7	0.4
Elimination & Corporate	(3.0)	(5.9)	(4.4)	(6.8)	(20.1)	(5.5)
<b>Total</b>	<b>18.7</b>	<b>7.6</b>	<b>20.1</b>	<b>12.5</b>	<b>58.9</b>	<b>14.9</b>

\*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.



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- All figures are rounded to the nearest hundred million yen.
  - This presentation contains various forward-looking statements which are based on the current expectations and assumptions of future events. All figures and statements with respect to the future performance, projections, and business plans of Kuraray and its group companies constitute forward-looking statements. Although Kuraray believes that its expectations and assumptions are reasonable, actual results and trends of Kuraray's performance could differ materially from those expressed or implied by such figures or statements due to risks and uncertainties in the future business circumstances. The factors which may cause such difference include, without limitation: (1) general market and economic conditions in Asia including Japan, the U.S., Europe and other regions; (2) fluctuations of currency exchange rates, especially between the Japanese yen and the U.S. dollar and other foreign currencies; (3) changes in raw material and fuel costs; (4) industrial competition and price fluctuations in Japan and international markets; (5) advance or delay in the construction of new plants and production lines; (6) successful development of new products and technologies; and (7) changes in laws and regulations (including tax and environmental) and legal proceedings.