

January 22, 2025  
KURARAY CO., LTD.

## Notice Concerning the Merger of Wholly-Owned Subsidiary Kuraray Kuraflex Co., Ltd.

KURARAY CO., LTD. (the “Company”) hereby announces that it passed a resolution at its Board of Directors’ meeting held on January 22, 2025, to carry out a merger aimed at absorbing Kuraray Kuraflex Co., Ltd. (hereinafter “Kuraray Kuraflex”), one of KURARAY’s wholly owned subsidiaries.

In addition, since this merger pertains to the absorption of a wholly owned subsidiary, some details of the information disclosed below have been omitted.

### 1. Purpose of the Merger

KURARAY has manufactured and sold dry-laid nonwoven fabric since 1972 and meltblown nonwoven fabric since 1989. In recent years, however, the business environment has become increasingly severe due to oversupply resulting from the expansion of facilities by other companies in Asia and declining domestic demand. Having examined our future business policy, we have determined that restructuring through a reduction in production capacity is imperative. We are now restructuring our nonwoven fabric business by focusing our management resources on the meltblown nonwoven fabric business, and to promote this restructuring quickly and efficiently, we have decided to merge Kuraray Kuraflex Co., Ltd.

### 2. Overview of the Merger

#### (1) Schedule

Resolution of the merger at the Board of Directors’ meeting	January 22, 2025
Signing of the merger agreement	January 22, 2025
Effective date of the merger	May 1, 2025

#### (2) Method of the Merger

KURARAY, the surviving company, will absorb Kuraray Kuraflex, which will be dissolved as a result of the merger.

#### (3) Share Allocation in Accordance with Merger

Not applicable.

#### (4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights as a Result of the Merger

Not applicable.

### 3. Outline of Companies Involved in the Merger

	Surviving company	Absorbed company
(1) Name	KURARAY CO., LTD.	Kuraray Kuraflex Co., Ltd.
(2) Location	1621, Sakazu, Kurashiki-shi, Okayama, Japan	2-4-9 Kaigan-dori Minami-ku, Okayama-shi, Okayama, Japan
(3) Job title and name of representative	Hitoshi Kawahara, President and Representative Director	Shinji Matsuo, Representative Director and President
(4) Description of business	Manufacture and sale of chemicals, resins, fibers and textiles	Manufacture, process and sale of non-woven fabric
(5) Share capital	¥88,955 million	¥100 million
(6) Date of establishment	June 24, 1926	January 4, 2000
(7) Number of issued shares	324,863,603	800
(8) Fiscal year-end	December 31	December 31
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust account) 19.19% Custody Bank of Japan, Ltd. (Trust account) 8.87 % National Mutual Insurance Federation of Agricultural Co-operatives 3.25% Nippon Life Insurance Company 3.12% Kuraray Employee Stock Ownership Plan 1.84%	KURARAY CO., LTD. 100%
(10) Operating results and financial positions for the last three years		
As of / Fiscal year ended	KURARAY CO., LTD. (Consolidated)	Kuraray Kuraflex Co., Ltd. (non-Consolidated)
	December 31, 2023	December 31, 2023
Net assets	¥736,156 million	¥3,919 million
Total assets	¥1,254,485 million	¥4,847 million
Net assets per share (Yen)	¥2,133.75	¥4,898,750
Net sales	¥780,938 million	¥7,061 million
Operating profit	¥75,475 million	¥ (705) million
Ordinary profit	¥69,025 million	¥ (706) million

	Surviving company	Absorbed company
Net income	¥42,446 million	¥ (577) million
Earnings per share (Yen)	¥126.80	¥ (720,875)

#### 4. Status After the Merger

There will be no changes in company name, address, name and title of representative, business description, paid-in capital and fiscal year end of KURARAY CO., LTD.

#### 5. Future outlook

The effect of The Merger on consolidated earnings is immaterial.

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