Investment in a new EVAL™ plant

March 27, 2024

Kuraray Co., Ltd.

EVAL™, EVOH resin

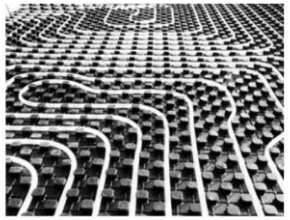
- Chemical name : Ethylene vinyl alcohol copolymer (EVOH)
  Kuraray is the world's pioneer; started production in 1972.
- Characteristics : The highest level of gas barrier properties as resin materials for packaging.
- Main applications : Food packaging (preventing oxidation)
  Automotive plastic fuel tank
  Under-floor heating pipes, etc.

EVAL™, EVOH resin

Food packaging

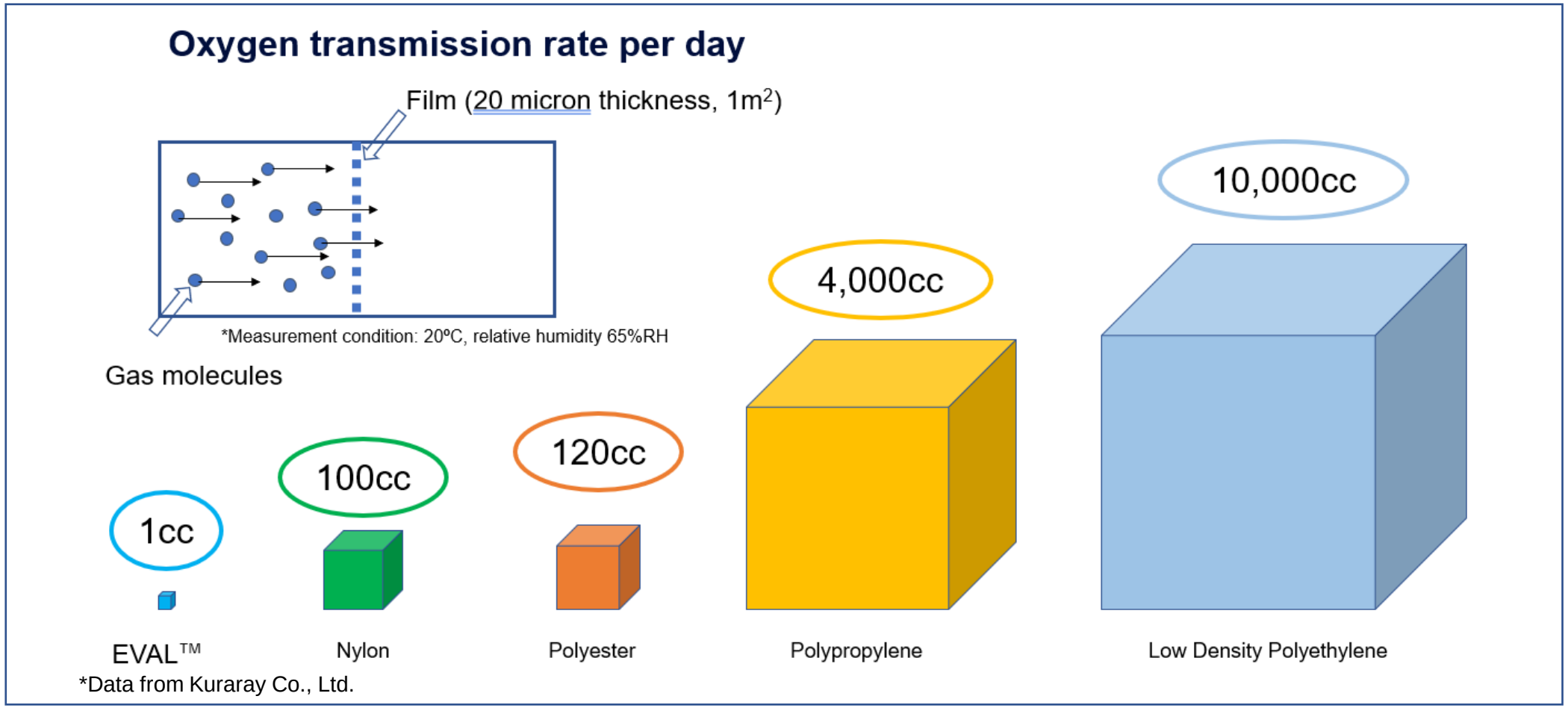
Automotive plastic fuel tank

Under-floor heating pipes



Vacuum insulation panels

Comparison of gas barrier properties



Investment in a new EVAL™ plant

- **Demand for food packaging expands globally (driven by increased consciousness for reduction of food loss and circular economy)**

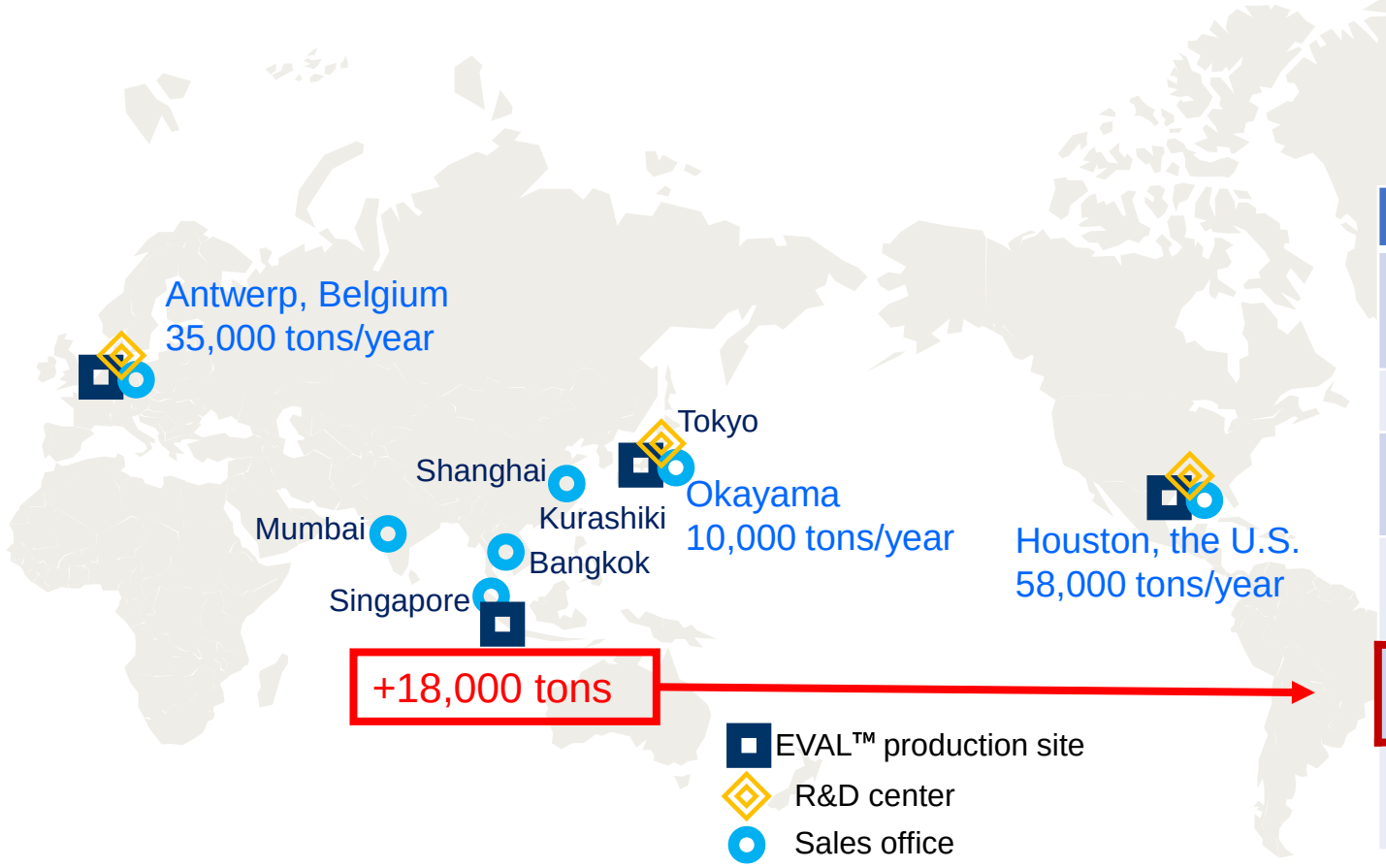
Investment decision on new plant in Asia

To firm the position as the market leader

Place :	Kuraray Asia Pacific Pte. Ltd. (Jurong Island, Singapore)
Production capacity :	EVOH resin, 18,000 tons/year The front-end process will be constructed with a capacity of 36,000 t/y with a view to future expansion. The back-end process is divided into two phases, with the first phase being implemented at this time.
Start operation :	End of 2026
Investment amount	US$410 million

Global network of EVAL™

- **Expand capacity in growing Asian market and strengthen global supply chain**
- **Enhance technical service in the region (Southeast Asia)**



Region	Annual production capacity (tons)			Sites
	2023	Expansion 2024～2026	End of 2026	
Japan	10,000		10,000	Okayama
Europe	35,000	＋5,000	40,000	Antwerp, Belgium
Americas	58,000	＋5,000	63,000	Houston, the U.S.
Asia		＋18,000	18,000	Singapore
Total	103,000	+28,000	131,000	

Why EVAL™ is selected as environmentally friendly barrier material?

Regulation for recycling packaging materials

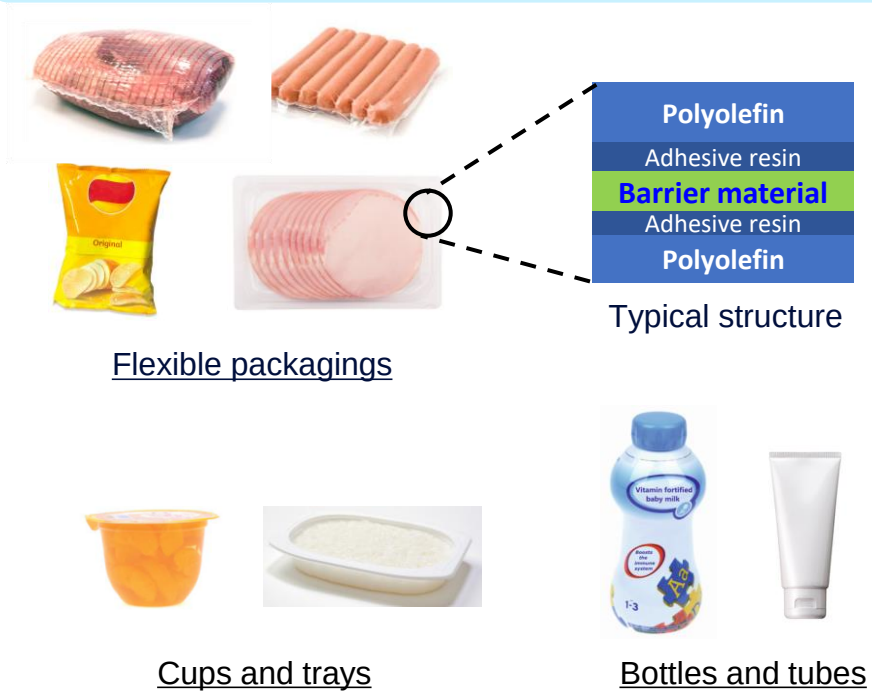
- ✓ Europe (Regulations for packaging and its waste)
  - 2025: Extended Producer Responsibility (EPR) to come into force
  - 2030: Mandatory to replace to recyclable packaging materials
- ✓ Laws and regulations are tightening in India and other emerging economies.

Mechanical recycling is becoming more common*

- ✓ Mono-material, made only of polyolefin can be recycled
- ✓ EVOH does not prevent recycling of polyolefin
- ✓ EVOH can replace other barrier materials (aluminum foil, PVDC, vapor deposition PET or Nylon) which do prevent polyolefin recycling.

* A way of recycling. Re-melt packaging materials and reuse it as packaging materials or daily commodities.

Recycle of polyolefin



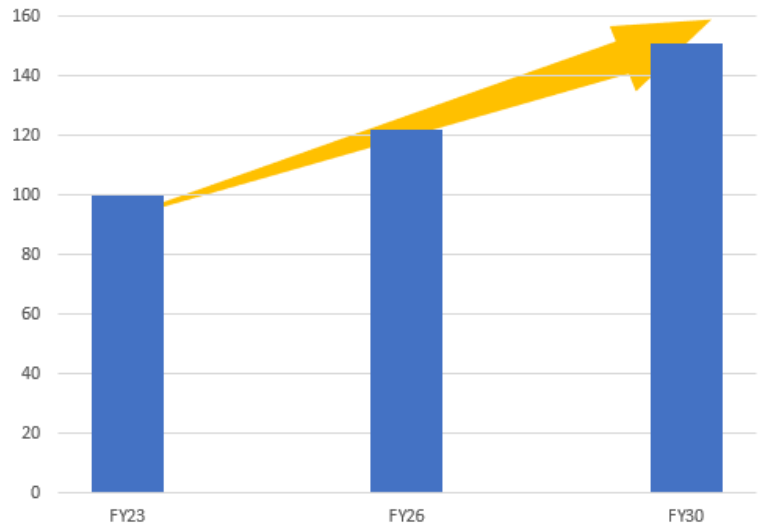
*Typical example of polyolefin: Polyethylene (PE) or Polypropylene (PP)

Global demand outlook of EVOH resin

- Continued high growth led by increased standards of living in emerging economies
- Growing focus on food loss reduction
- Increasing regulations concerning packaging materials and demand for environmentally friendly materials.

Expect 5-6% annual demand growth

＜Image of market expansion, 2023 as 100＞



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