

**Consolidated Financial Results  
for the Fiscal Year Ended December 31, 2025  
(Unaudited)**

**February 10, 2026  
KURARAY CO., LTD.**

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 10, 2026

**Consolidated Financial Results  
for the Fiscal Year Ended December 31, 2025  
(Under Japanese GAAP)**

Company name:	KURARAY CO., LTD.	
Listing:	Tokyo Stock Exchange	
Stock code:	3405	
URL:	<a href="https://www.kuraray.com/global-en/">https://www.kuraray.com/global-en/</a>	
Representative:	Hitoshi Kawahara, Representative Director and President	
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Telephone:	+81-3-6701-1070	
Scheduled date of annual general meeting of shareholders:	March 26, 2026	
Scheduled date to commence dividend payments:	March 27, 2026	
Scheduled date to file annual securities report:	March 25, 2026	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	Yes (for securities analysts and institutional investors)	

(Yen amounts are rounded down to millions, unless otherwise noted.)

**1. Consolidated financial results for the fiscal year ended December 31, 2025  
(from January 1, 2025 to December 31, 2025)**

**(1) Consolidated Operating Results** (Percentages indicate year-on-year changes.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	808,447	(2.2)	58,882	(30.8)	51,515	(36.8)	7,468	(76.5)
December 31, 2024	826,895	5.9	85,081	12.7	81,480	18.0	31,724	(25.3)

Note: Comprehensive income: For the fiscal year ended December 31, 2025: ¥ 24,918 million (-71.4%)  
For the fiscal year ended December 31, 2024: ¥ 87,028 million (3.4%)

	Net Income per Share	Fully Diluted Net Income per Share	Return on Equity	Return on Total Assets	Operating Income/Net Sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	23.62	23.60	1.0	4.0	7.3
December 31, 2024	96.33	96.27	4.3	6.4	10.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2025: ¥338 million  
For the fiscal year ended December 31, 2024: ¥331 million

## (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of December 31, 2025	Millions of yen 1,303,511	Millions of yen 755,175	% 57.0	Yen 2,418.65
December 31, 2024	1,291,238	781,790	59.2	2,359.03

Reference: Equity attributable to owners of the parent

As of December 31, 2025: ￥742,620 million  
As of December 31, 2024: ￥764,012 million

## (3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal year ended December 31, 2025	Millions of yen 98,591	Millions of yen (98,129)	Millions of yen (16,305)	Millions of yen 108,314
December 31, 2024	138,294	(76,008)	(82,504)	121,692

## 2. Cash Dividends

	Annual Dividends per Share					Total cash dividends (full year)	Payout Ratio (consolidated)	Dividends/ Net Assets (consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Fiscal year- end	Total			
Fiscal year ended December 31, 2024	Yen —	Yen 27.00	Yen —	Yen 27.00	Yen 54.00	Millions of yen 17,667	% 56.1	% 2.4
Fiscal year ended December 31, 2025	—	27.00	—	27.00	54.00	16,912	228.7	2.3
Fiscal year ending December 31, 2026 (Forecast)	—	32.00	—	32.00	64.00		49.1	

Note: FY2026 annual dividends per share (forecast): ￥54.00 normal dividend and ￥10.00 commemorative dividend

For more details, please refer to "Notice Regarding 100th Anniversary Commemorative Dividend" released on February 10, 2026.

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(Percentage changes displayed for net sales, operating income, ordinary income and net income attributable to owners of the parent are comparisons with the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
Interim Period	Millions of yen 410,000	% 2.5	Millions of yen 24,000	% (8.6)	Millions of yen 21,000	% (1.3)	Millions of yen 13,000	% (7.4)	Yen 42.34
Full Fiscal Year	850,000	5.1	70,000	18.9	64,000	24.2	40,000	435.6	130.28

**[Notes]**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Nelumbo Inc.)

Excluded: 7 companies (Kuraray Kuraflex Co., Ltd.; CHARCOAL CLOTH (INTERNATIONAL) LIMITED; and five others)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For more information, please refer to "4. Consolidated Financial Statements and Notes (5)

Notes regarding Consolidated Financial Statements (Changes in Accounting Principles)" on

page 21 of the Attachment.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury stock)

As of December 31, 2025	307,963,603 shares
As of December 31, 2024	324,863,603 shares

(ii) Number of shares of treasury stock at the end of the period

As of December 31, 2025	924,408 shares
As of December 31, 2024	996,185 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	316,247,508 shares
Fiscal year ended December 31, 2024	329,327,167 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2025  
(from January 1, 2025 to December 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	272,546	1.7	8,778	(38.8)	71,423	(13.6)	38,297	(42.9)
December 31, 2024	267,943	5.6	14,352	86.2	82,653	587.5	67,121	693.3

	Net Income per Share	Fully Diluted Net Income per Share
	Yen	Yen
Fiscal year ended December 31, 2025	121.10	121.03
December 31, 2024	203.81	203.68

**(2) Non-consolidated financial position**

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
As of December 31, 2025	Millions of yen 958,939	Millions of yen 419,056	% 43.7	Yen 1,364.08
December 31, 2024	954,627	430,430	45.1	1,328.20

Reference: Shareholders' equity

As of December 31, 2025: ￥418,826 million  
As of December 31, 2024: ￥430,160 million

Note: It is not required that this type of earnings report be audited.

*Cautionary Statement with Respect to Forecasts of Consolidated Business Results  
(Cautionary note regarding forward-looking statements)*

The results forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts. Please refer to "1. Qualitative Information regarding Business Results (4) Outlook for Fiscal 2026" on page 9 of the Attachment for the assumptions used.

*Access to Documents and Other Materials Relating to the Year-End Results Briefing to Be Held on February 10, 2026*  
Supplementary results presentation materials will be disclosed on TDnet and posted on the Company's website on the day results are announced.

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## 1. Qualitative Information regarding Business Results

### (1) Overview of Consolidated Business Results

In the fiscal year ended December 31, 2025 ("fiscal 2025"), the overall global economic outlook remained difficult to forecast due to the trade policies of various countries. In Japan, the economy gradually recovered, underpinned by domestic demand. In the United States, despite healthy performances in AI-related fields, other fields remained weak. In Europe, the overall economy remained on a gradual expansion track, however, growth has remained low. Meanwhile, in China, economic growth was low as personal consumption, which had been underpinned by government-led economic stimulus measures, decelerated and the real estate market stagnated.

The Group worked to tackle the three challenges outlined in the medium-term management plan "PASSION 2026," which was launched in fiscal 2022: 1) Sustainability as an opportunity, 2) Innovations starting from networking, and 3) Transformation of people and organization. We also strove to make our business portfolio more enhanced and to further strengthen our businesses and products that have strong growth potential and competitive advantages. Regarding businesses and products that we position as growth and expansion businesses and fundamental businesses, we made decisions aimed at achieving future growth, including decisions on new capital investment and acquisitions. However, regarding some businesses and products that we do not expect to improve in the near future, we made decisions to transfer, shrink, or withdraw from operations.

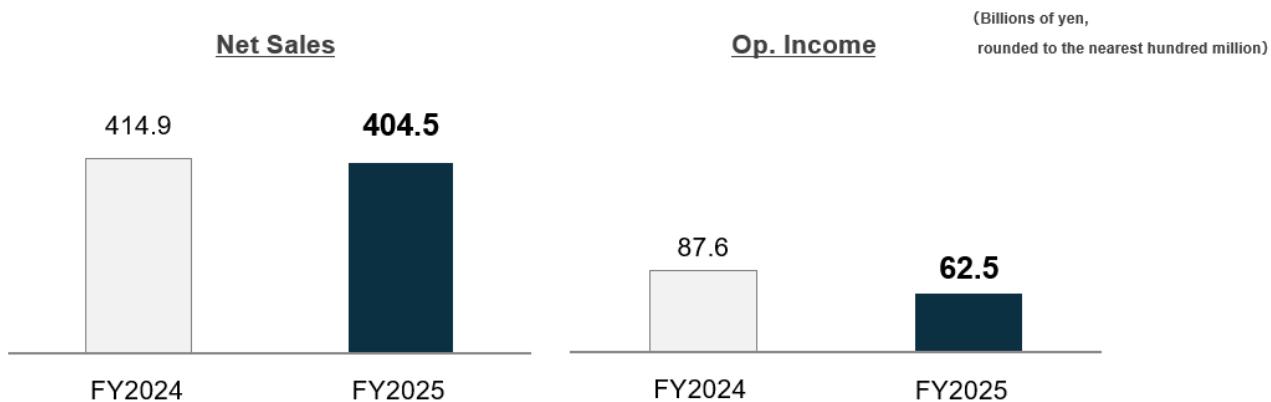
As a result, consolidated operating results for fiscal 2025 are as follows: net sales decreased ¥18,447 million (2.2%) year on year to ¥808,447 million; operating income decreased ¥26,198 million (30.8%) year on year to ¥58,882 million; and ordinary income decreased ¥29,964 million (36.8%) year on year to ¥51,515 million. In addition, because of the recording of extraordinary losses, including impairment losses of assets related to the isoprene chemical business and assets related to the thermoplastic styrene elastomers in the elastomer business, net income attributable to owners of the parent decreased ¥24,256 million (76.5%) year on year to ¥7,468 million.

	FY2024		FY2025		Change	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
<b>Vinyl Acetate</b>	414,907	87,630	404,495	62,545	(10,412)	(25,084)
<b>Isoprene</b>	76,365	(9,498)	80,378	(4,864)	4,012	4,633
<b>Functional Materials</b>	207,981	12,946	206,939	10,826	(1,042)	(2,120)
<b>Fibers and Textiles</b>	62,674	1,207	60,749	2,633	(1,925)	1,425
<b>Trading</b>	67,625	5,915	68,766	6,039	1,141	124
<b>Others</b>	50,863	2,295	40,794	1,795	(10,069)	(500)
<b>Elimination &amp; Corporate</b>	(53,523)	(15,416)	(53,675)	(20,092)	(151)	(4,676)
<b>Total</b>	826,895	85,081	808,447	58,882	(18,447)	(26,198)

## **Results by Business Segment**

### **Vinyl Acetate**

Sales in this segment were ¥404,495 million (down 2.5% year on year), and segment income was ¥62,545 million (down 28.6% year on year). The sales volume did not increase as much as assumed due in part to European economic stagnation. Profit was impacted by the negative effects from inventory valuation differences and rising raw material and fuel prices.



PVOH resin: Sales volume decreased due to weakened demand, especially in Europe and the United States, and due to the dissipation of the special demand that arose in the previous year to work around logistics disruptions to Europe. Profit was negatively impacted by rising raw material and fuel prices. In addition, manufacturing was temporarily suspended at a factory in the United States due to the malfunctioning of some production equipment and the suspension of supplies of externally purchased utility.

Optical-use poval film: Sales volume increased on the back of Chinese government measures to support home appliance replacement and replacement demand for TVs ahead of international sports events. Inventory valuation differences had a negative impact on profit.

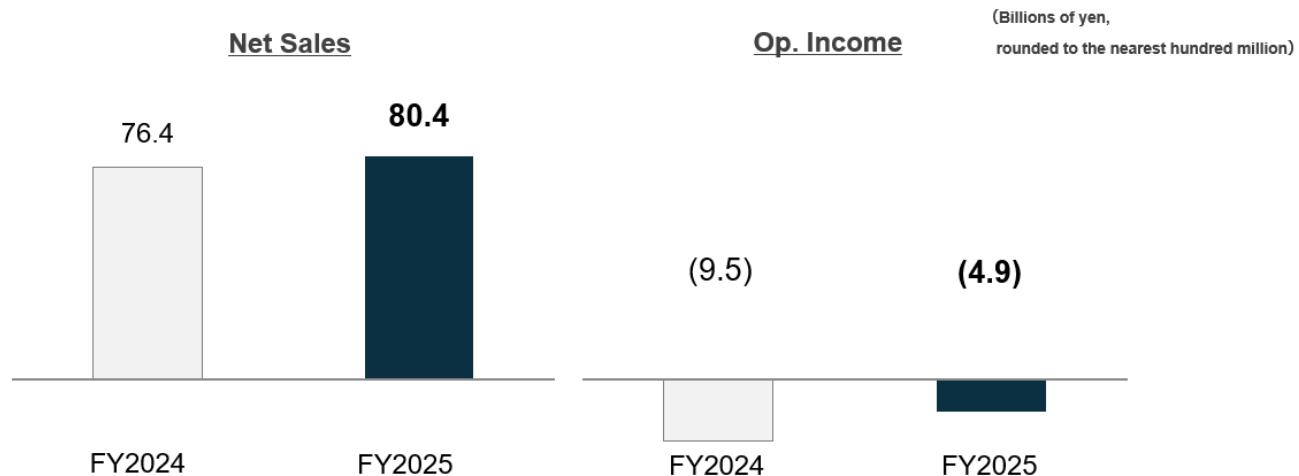
Advanced Interlayer Solutions: Although sales of SentryGlas™ specialty ionoplast interlayers remained favorable, especially in the Americas, the competitive environment for PVB film has intensified, particularly in Europe and Asia. As a result, sales volume has decreased for both construction and automotive applications.

Water-soluble PVOH film: Sales volume increased due to higher demand for soluble-unit-dose detergent.

EVAL™ EVOH resin: Although sales volume for food packaging applications did not increase as much as assumed in Europe and Asia, automotive applications held steady, resulting in an increase in the overall sales volume. Profit, however, was negatively affected by inventory valuation differences and rising raw material and fuel prices.

## Isoprene

Sales in this segment were ¥80,378 million (up 5.3% year on year), and segment loss was ¥4,864 million (segment loss in the previous fiscal year was ¥9,498 million). Operations stabilized at the Thai base, which was leveraged to contribute to sales expansion. In addition, reflecting the deterioration of the business environment, we recorded impairment losses associated with the assets related to the isoprene chemical business and the assets related to the thermoplastic styrene elastomers in the elastomer business in the fourth quarter as extraordinary losses.

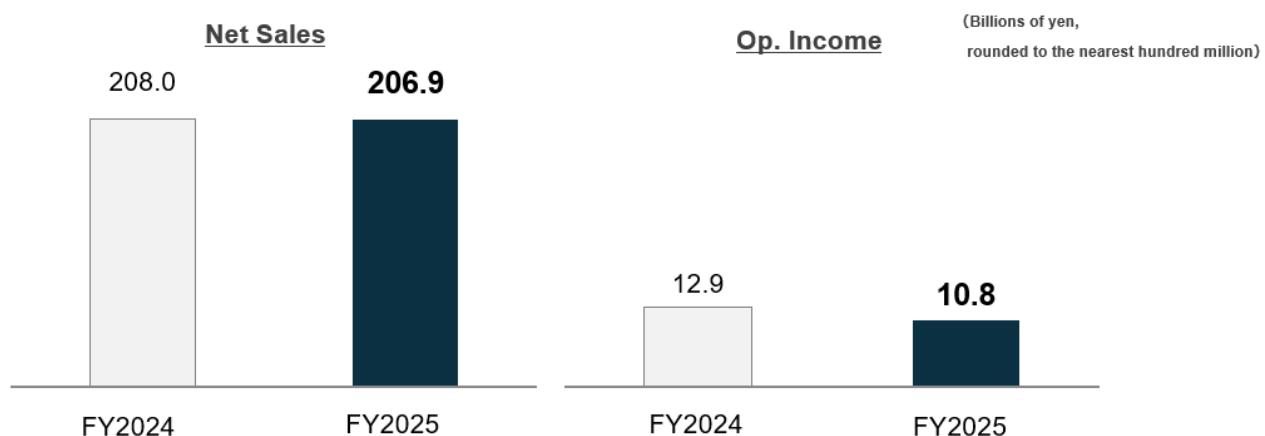


Isoprene chemicals and elastomer: As a result of a pull-forward in demand in the first half of the year caused by U.S. tariff policies in addition to stagnant demand for construction applications in China, isoprene chemicals experienced a period of adjustment from the third quarter onward. In addition, elastomer faced intensified competition with Asian competitors in the European market and other regions due to U.S. tariff policies despite an increase in sales volume.

GENESTAR™ heat-resistant polyamide resin: Sales volume increased due to sales expansion in both electric and electronic applications and automotive applications.

## Functional Materials

Sales in this segment were ¥206,939 million (down 0.5% year on year), and segment income was ¥10,826 million (down 16.4% year on year). This result was attributable in part to the negative effects of production difficulties in addition to a cold wave in the United States.



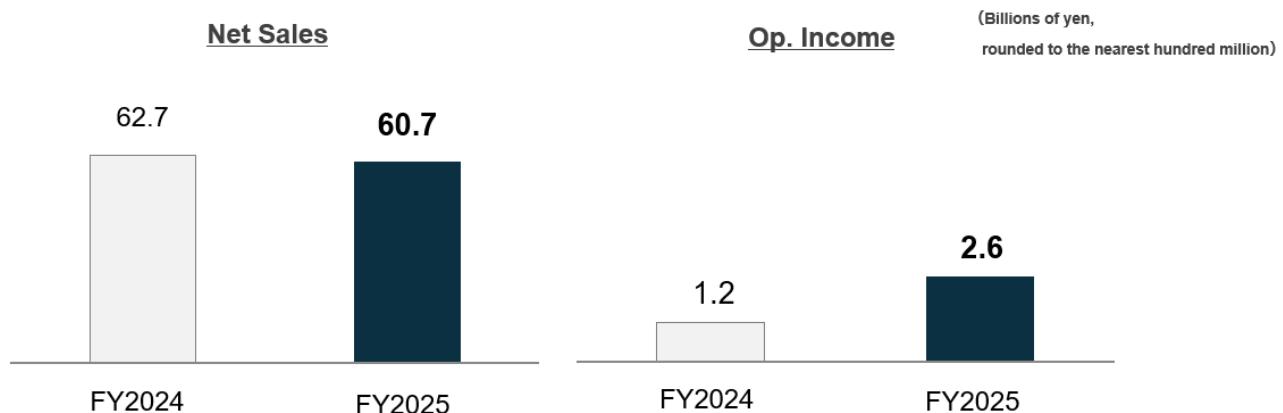
Methacrylate: Sales volume fell due to temporary production difficulties in addition to reduced production capacity for methyl methacrylate and some downstream products from July 2025.

Medical: Sales of cosmetic dental materials, mainly in Europe and the United States, remained brisk, and we continued strengthening marketing aimed at expanding sales.

Environmental Solutions: Despite an increase in the sales volume of activated carbon, mainly for drinking water applications, a trend has emerged among some customers of revising purchasing timing due to U.S. tariff policies and an uncertain economic outlook. As a result, we did not reach our assumed sales volume level. In addition, the diatomite and perlite business were transferred in December 2024, resulting in a decrease in sales. Profit was negatively impacted by a cold wave and production difficulties in the United States.

## Fibers and Textiles

Sales in this segment were ¥60,749 million (down 3.1% year on year), and segment income was ¥2,633 million (up 118.1% year on year). Improvement in the sales mix contributed to the result, which was also impacted in part by stagnation in European economies and production adjustments in EVs.

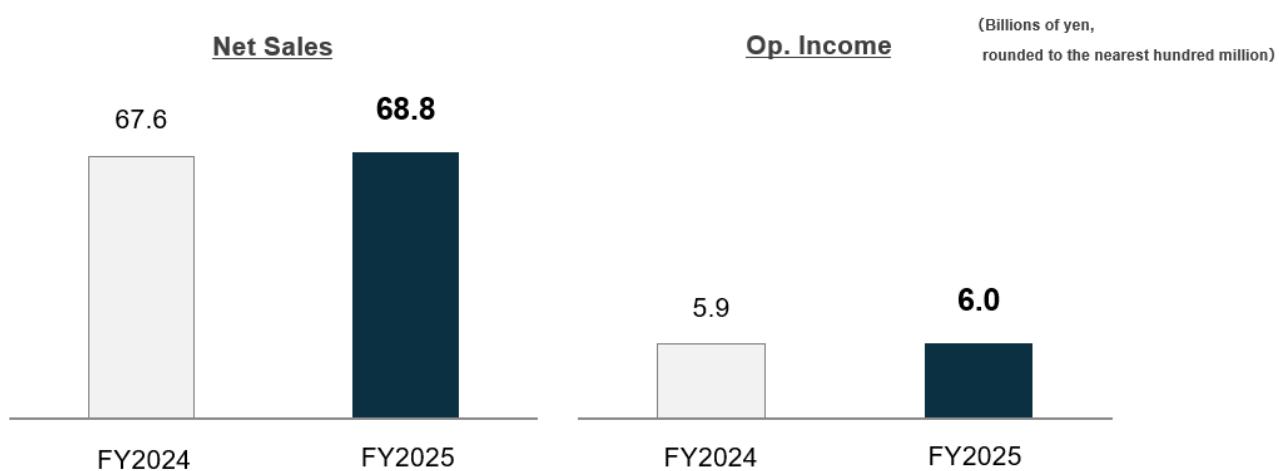


**CLARINO™ man-made leather:** Although the performance of shoes applications remained steady due to the effects of new recruitment efforts, sales volume decreased, especially for luxury and automotive applications due in part to the effects of production adjustments in EVs, stagnant demand in the European market, and slowing growth in the Chinese economy.

**Fibers and industrial materials:** Sales in Europe for construction material applications remained weak, but the sales composition continued to improve due in part to expanded sales of the liquid crystal polymer fiber VECTRAN™.

### Trading

Sales in this segment were ¥68,766 million (up 1.7% year on year), and segment income was ¥6,039 million (up 2.1% year on year).

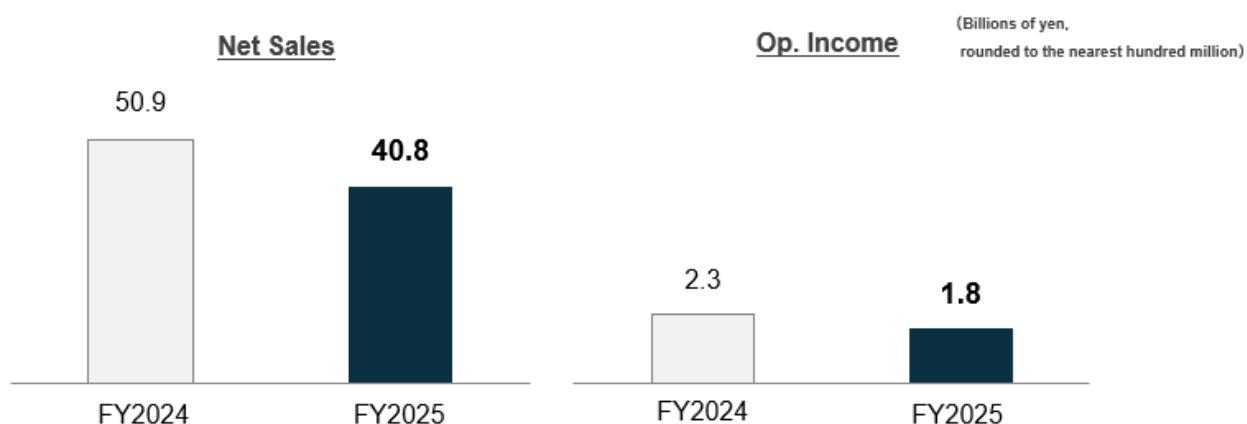


**Fiber-related businesses:** Sales of sportswear and outdoor clothing applications remained favorable. In addition, we promoted sales expansion of high value-added products, such as highly functional fibers and environmentally friendly products.

**Resins and chemicals:** Sales of resin and processed products expanded, especially in the Asian market.

### Others

Sales in this segment were ¥40,794 million (down 19.8% year on year), and segment income was ¥1,795 million (down 21.8% year on year).



## **(2) Overview of Financial Position**

Total assets increased ¥12,272 million from the end of the previous fiscal year to ¥1,303,511 million despite a ¥13,965 million decrease in cash and cash deposits, which were offset by an ¥11,740 million increase in notes and accounts receivable-trade, and contract assets and an ¥11,605 million increase in inventories. Total liabilities increased ¥38,887 million to ¥548,335 million due to factors that included a ¥40,637 million increase in interest-bearing debt.

Net assets fell ¥26,614 million to ¥755,175 million due in part to a decrease in capital surplus. Equity attributable to owners of the parent amounted to ¥742,620 million, for an equity ratio of 57.0%.

## **(3) Overview of Cash Flows**

### *Cash Flows from Operating Activities:*

Net cash provided by operating activities totaled ¥98,591 million. Cash provided included ¥19,821 million from income before income taxes and non-controlling interests. Cash used included ¥22,799 million in income taxes paid. Non-cash expenses included ¥84,702 million in depreciation and amortization and ¥29,626 million in impairment loss.

### *Cash Flows from Investing Activities:*

Net cash used in investing activities totaled ¥98,129 million. Contributing factors included ¥94,177 million used for the purchase of tangible fixed assets and intangible fixed assets.

### *Cash Flows from Financing Activities:*

Net cash used in financing activities was ¥16,305 million. Contributing factors included a ¥39,245 million increase in interest-bearing debt, ¥30,004 million in share buybacks, and cash dividends paid totaling ¥17,367 million.

The above factors along with the effect of exchange rate changes on cash and cash equivalents resulted in a ¥13,378 million net decrease in cash and cash equivalents at the end of the fiscal year to ¥108,314 million.

(Millions of yen)

	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Net cash provided by operating activities	138,294	98,591
Net cash used in investing activities	(76,008)	(98,129)
Net cash used in financing activities	(82,504)	(16,305)
Effect of exchange rate changes on cash and cash equivalents	8,848	2,464
Net decrease in cash and cash equivalents	(11,369)	(13,378)
Cash and cash equivalents, beginning of the period	133,663	121,692
Decrease in cash and cash equivalents from exclusion of subsidiaries from consolidation	(601)	—
Cash and cash equivalents, end of the period	121,692	108,314

[Reference] Cash Flow Indicators

	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2025
Equity ratio (%)	51.3	52.9	56.9	59.2	57.0
Equity ratio (%; market basis)	31.5	29.0	38.0	57.2	37.4
Ratio of cash flow to interest-bearing liabilities (%)	3.9	6.3	2.2	1.8	2.9
Interest coverage ratio (times)	50.9	43.6	57.3	66.2	54.2

Notes:

Equity ratio: Total net assets excluding both subscription rights to shares and noncontrolling interests/total liabilities and net assets

Equity ratio (market basis): Total market value of shares issued and outstanding/total net assets

Ratio of cash flow to interest-bearing liabilities: Interest-bearing liabilities/net cash provided by (used in) operating activities

Interest coverage ratio: Net cash provided by (used in) operating activities/interest expenses

1. All indicators are calculated using the consolidated financial statements.

2. The total market value of shares issued and outstanding was calculated by multiplying the closing price at the end of the fiscal year by the total number of shares issued and outstanding (after subtracting treasury stock) at the end of the fiscal year.

3. The calculations use net cash provided by (used in) operating activities as reported in the consolidated statements of cash flows.

4. Interest-bearing liabilities are all liabilities reported in the consolidated balance sheets that require the payment of interest.

#### (4) Outlook for Fiscal 2026

The economic environment over the next year is expected to remain unclear due in part to uncertainty and geopolitical tension related to trade policies and continued low growth in the Chinese economy.

Amid this situation, the Group will continue to promote measures in line with its medium-term management plan “PASSION 2026.” We are continuing to proactively invest resources in businesses and products with strong growth potential and competitive advantages with the aim of building a more enhanced business portfolio and expanding profit.

Based on these circumstances, the outlook for fiscal 2026 is as follows.

(Billions of yen, rounded to the nearest hundred million)			
	Fiscal 2025	Forecast for Fiscal 2026	Change (Adjusted)
Net sales	808.4	850.0	5.1 %
Operating income	58.9	70.0	18.9 %
Ordinary income	51.5	64.0	24.2 %
Net income attributable to owners of the parent	7.5	40.0	435.6 %

The forecast is based on the following assumptions: average exchange rates of ¥150/USD and ¥175/EUR, domestic naphtha at ¥61,000/kl, US natural gas at \$3.8/MMBtu, and European natural gas at €37/MWh.

#### [Reference] Forecast of Results by Segment for Fiscal 2026

	Net Sales		Operating Income	
	Fiscal 2025	Forecast for Fiscal 2026	Fiscal 2025	Forecast for Fiscal 2026
Vinyl Acetate	404.5	420.0	62.5	63.0
Isoprene	80.4	93.0	(4.9)	3.0
Functional Materials	207.8	222.0	8.9	14.5
Fibers and Textiles	60.7	63.0	2.6	4.5
Trading	68.8	70.0	6.0	6.5
Others	39.9	41.0	3.7	1.0
Elimination & Corporate	(53.7)	(59.0)	(20.1)	(22.5)
Total	808.4	850.0	58.9	70.0

From fiscal 2026, we have changed the segment category of the Electronics Materials Promotion Division from “Others” to “Functional Materials.” Figures reflecting the change are used for the fiscal 2025 results and fiscal 2026 forecasts.

Note: The above forecasts are based on the best information currently available. Actual operating results may vary significantly due to various factors.

## **(5) Basic Policies Related to Profit Distribution and Dividends in Fiscal 2025 and 2026**

The Company positions the distribution of profits to all shareholders as a priority management issue. Our shareholder return policy is to ensure a total return ratio of at least 50% as a proportion of net income attributable to owners of the parent, hold steady or increase dividends per share, and aim to continually conduct share buybacks. Based on this policy, as for the dividends for fiscal 2025, the interim dividend was ¥27 per share and the year-end dividend (forecast) was also ¥27 per share, resulting in an annual dividend per share (forecast) of ¥54.

In addition, in fiscal 2025, we acquired 16,936 thousand shares of treasury stock totaling ¥29,999 million and eliminated 16,900 thousand shares of treasury stock (common stock accounting for 5.20% of all issued shares before the cancellation). Taking these and other factors into account, the total return ratio for fiscal 2025 is expected to amount to 628.1%.

For dividends next year (fiscal 2026), we plan to add a ¥5 100th anniversary commemorative dividend to each of the ¥27 normal dividends per share for the interim dividend and year-end dividend, meaning the two dividends will each be ¥32 per share. Thus, the annual dividend is planned to be ¥64 per share, including ¥10 to commemorate our 100th anniversary added to the normal dividend of ¥54.

Moreover, we have decided to conduct a share buyback as in the “Notice of Decision to Launch a Share Buyback” dated February 10, 2026. The details of the buyback are as follows.

### **Buyback Details**

(1) Type of shares in buyback:	Common stock
(2) Maximum number of shares:	Up to 8.0 million shares (Approximately 2.61% of total outstanding shares, excluding treasury stock)
(3) Maximum value of buyback:	Up to ¥10.0 billion
(4) Buyback method:	Market purchase based on a trade contract for acquiring treasury stock
(5) Buyback period:	February 12, 2026 to May 31, 2026

The Company plans to cancel treasury stock to be acquired this time. Number of shares to be canceled and cancellation timing will be announced as soon as they are decided.

## **2. Management Policies**

### **(1) Fundamental Management Policies**

Kuraray's mission in its corporate statement is: "For people and the planet—to achieve what no one else can." Based on this, the Company aims to be a "Specialty Chemical Company contributing to customers, society and the planet and growing sustainably by incorporating new innovation platforms into its own technologies." This is the Kuraray Vision 2026 long-term vision, which we aim to realize by 2026, the centennial of the Company's founding.

### **(2) Management Indicator Targets, Medium- to Long-Term Strategies and Issues to Be Addressed**

In the five-year medium-term management plan "PASSION 2026," which began from fiscal 2022, the Group set the three challenges to tackle listed below to realize its long-term Kuraray Vision 2026.

#### **1) Sustainability as an opportunity**

Take sustainability as an opportunity and promote it with the collective strength of the whole group

#### **2) Innovations starting from networking**

Create a growth driver by connecting people with people, and technologies with technologies, both within and outside the Company

#### **3) Transformation of people and organization**

Transform people and organization via the digital-driven process innovation and the promotion of diversity which will, in turn, help us bring to bear a broad range of ideas

In fiscal 2026, which is the final year of "PASSION 2026," we will meet expanding demand by leveraging our strengths in growth and expansion businesses, including EVAL, genestar, activated carbon, and dental materials. We will also work harder to build a more enhanced portfolio by striving to improve the profitability of the "optimization and structural improvement businesses." In addition, we will continue accelerating initiatives aimed at creating new businesses for the Group's medium- to long-term growth. The Group will continue taking on such challenges as a sustainably growing specialty chemical company looking toward the centennial in 2026 and beyond.

In addition, since its founding, the Group has conducted management that contributes to sustainable development by aiming to improve natural and living environments through business activities. We consider sustainability a key management strategy. We select material issues to prioritize for the sustainable development of the Company and society at the management level and work to solve these issues as a unified company.

Under the medium-term management plan "PASSION 2026," the Group has put together and is implementing a medium-term sustainability plan comprising measures related to sustainability.

In November 2020, we announced our support of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The Group is disclosing its climate change initiatives in line with the four items suggested: governance, strategy, risk management, and indicators and targets.

Regarding our human resource strategy, with the aim of ensuring diverse human resources thrive in order to sustainably enhance our long-term corporate value, we have set the target of maintaining diversity among core personnel as well as three new KPIs related to personnel development: global leader training attendance rate for general managers, rate of preparation for upper management training candidates, and

total DX personnel training program attendance rate.

The Group proactively promotes sustainability and will continue contributing to the natural environment and the enriched lives of people everywhere through its highly unique technologies and products. Details of the Group's sustainability-related initiatives and disclosures based on the TCFD framework are uploaded on the Company's official website.

Kuraray Report (Integrated report)	<a href="https://www.kuraray.com/global-en/sustainability/report/">https://www.kuraray.com/global-en/sustainability/report/</a>
Sustainability Website	<a href="https://www.kuraray.com/global-en/sustainability/">https://www.kuraray.com/global-en/sustainability/</a>
Sustainability Medium-term Plan	<a href="https://www.kuraray.com/global-en/sustainability/4p-model/">https://www.kuraray.com/global-en/sustainability/4p-model/</a>
Response to TCFD Recommendations	<a href="https://www.kuraray.com/global-en/sustainability/prevention_of_global_warming/">https://www.kuraray.com/global-en/sustainability/prevention_of_global_warming/</a>

### **3. Basic Approach to Selection of Accounting Standards**

The Kuraray Group applies Japanese generally accepted accounting principles ("GAAP"). The Kuraray Group is considering the adoption of International Financial Reporting Standards ("IFRS") and other matters while taking into account various circumstances in Japan and overseas.

## 4. Consolidated Financial Statements and Notes

### (1) Consolidated Balance Sheets

	(Millions of yen)	
	December 31, 2024	December 31, 2025
<b>ASSETS</b>		
Current Assets		
Cash and deposits	118,068	104,102
Notes and accounts receivable—trade, and contract assets	166,589	178,330
Securities	3,624	4,215
Merchandise and finished goods	170,489	178,020
Work in process	19,974	20,230
Raw materials and supplies	66,365	70,184
Other	21,109	24,209
Allowance for doubtful accounts	(959)	(889)
Total current assets	<u>565,262</u>	<u>578,403</u>
Non-current Assets		
Property, plant and equipment		
Buildings and structures, net	118,633	116,992
Machinery, equipment and vehicles, net	292,153	262,474
Land	19,016	18,154
Construction in progress	59,824	96,662
Other, net	50,757	54,828
Total property, plant, and equipment	<u>540,385</u>	<u>549,112</u>
Intangible assets		
Goodwill	53,591	52,212
Customer-related assets	27,720	23,868
Other	34,586	34,549
Total intangible assets	<u>115,898</u>	<u>110,630</u>
Investments and other assets		
Investment securities	29,890	23,523
Retirement benefit asset	4,020	5,942
Deferred tax assets	21,485	20,291
Other	14,388	15,920
Allowance for doubtful accounts	(93)	(311)
Total investments and other assets	<u>69,692</u>	<u>65,366</u>
Total non-current assets	<u>725,975</u>	<u>725,108</u>
Total Assets	<u>1,291,238</u>	<u>1,303,511</u>

	(Millions of yen)	
	December 31, 2024	December 31, 2025
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable—trade	59,561	58,490
Short-term borrowings	23,850	45,120
Commercial paper	—	11,000
Current portion of bonds payable	10,000	—
Current portion of long-term borrowings	18,146	32,612
Accrued expenses	20,394	23,557
Income taxes payable	10,094	3,410
Provision for bonuses	10,772	9,495
Other	45,413	44,543
<b>Total current liabilities</b>	<b>198,231</b>	<b>228,229</b>
Non-current Liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	142,286	146,187
Deferred tax liabilities	24,385	23,243
Retirement benefit liability	31,417	32,146
Other	63,127	68,529
<b>Total non-current liabilities</b>	<b>311,216</b>	<b>320,106</b>
<b>Total Liabilities</b>	<b>509,448</b>	<b>548,335</b>
<b>NET ASSETS</b>		
Shareholders' Equity		
Share capital	88,955	88,955
Capital surplus	87,124	55,949
Retained earnings	396,752	386,853
Treasury stock	(1,462)	(1,623)
<b>Total shareholders' equity</b>	<b>571,369</b>	<b>530,135</b>
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	8,684	6,458
Deferred gain or losses on hedges	127	(78)
Foreign currency translation adjustment	183,693	203,014
Remeasurements of defined benefit plans	136	3,091
<b>Total accumulated other comprehensive income</b>	<b>192,642</b>	<b>212,485</b>
Subscription rights to shares	270	229
Non-controlling Interests	17,507	12,325
<b>Total Net Assets</b>	<b>781,790</b>	<b>755,175</b>
<b>Total Liabilities and Net Assets</b>	<b>1,291,238</b>	<b>1,303,511</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

	(Millions of yen)	
	Fiscal 2024 (January 1, 2024 – December 31, 2024)	Fiscal 2025 (January 1, 2025 – December 31, 2025)
Net sales	826,895	808,447
Cost of sales	559,374	561,939
Gross profit	267,520	246,508
Selling, general and administrative expenses		
Selling expenses	47,038	47,758
General and administrative expenses	135,401	139,867
Total selling, general and administrative expenses	182,439	187,625
Operating income	85,081	58,882
Non-operating income		
Interest income	3,418	2,256
Dividend income	731	830
Share of profit of entities accounted for using equity method	331	338
Other	1,752	1,297
Total non-operating income	6,234	4,722
Non-operating expenses		
Interest expenses	2,738	2,807
Foreign exchange loss	1,202	1,246
Loss on disposal of tangible fixed assets	1,433	1,475
Other	4,459	6,561
Total non-operating expenses	9,835	12,090
Ordinary income	81,480	51,515
Extraordinary income		
Gain on sale of investment securities	1,526	5,086
Insurance claim income	—	705
Subsidy income	—	557
Total extraordinary income	1,526	6,349
Extraordinary losses		
Impairment loss	16,793	29,626
Costs related to the suspension of operations	1,346	4,604
Loss on disposal of tangible non-current assets	5,341	1,468
Loss on sale of tangible non-current assets	—	1,021
Loss on liquidation of business	4,452	848
Loss on tax purpose reduction entry of non-current assets	—	474
Loss on contingent liabilities	1,896	—
Total extraordinary losses	29,830	38,044
Income before income taxes and non-controlling interests	53,176	19,821
Income taxes—current	23,932	15,082
Income taxes—deferred	(1,932)	(312)
Total income taxes	22,000	14,769
Net income	31,176	5,051
Net income (loss) attributable to non-controlling interests	(548)	(2,417)
Net income attributable to owners of the parent	31,724	7,468

## Consolidated Statements of Comprehensive Income

	Fiscal 2024 (January 1, 2024 – December 31, 2024)	Fiscal 2025 (January 1, 2025 – December 31, 2025)	(Millions of yen)
Net income	31,176	5,051	
Other comprehensive income			
Valuation difference on available-for-sale securities	1,825	(2,225)	
Deferred gains or losses on hedges	108	(298)	
Foreign currency translation adjustment	52,953	19,290	
Remeasurements of defined benefit plans, net of tax	661	2,954	
Share of other comprehensive income of entities accounted for using equity method	304	146	
Total other comprehensive income	<hr/> 55,852	<hr/> 19,866	
Comprehensive income	<hr/> 87,028	<hr/> 24,918	
Comprehensive income attributable to:			
Owners of the parent	86,818	27,311	
Non-controlling interests	210	(2,393)	

**(3) Consolidated Statements of Changes in Net Assets**

Fiscal 2024 (January 1, 2024 – December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at January 1, 2024	88,955	87,146	426,290	(25,654)	576,737
Changes of items during the period					
Cash dividends			(17,292)		(17,292)
Net income attributable to owners of the parent			31,724		31,724
Purchase of treasury stock				(20,004)	(20,004)
Disposal of treasury stock		33		171	205
Retirement of treasury stock		(44,025)		44,025	—
Transfer to capital surplus from retained earnings		43,970	(43,970)		—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(22)	(29,537)	24,192	(5,367)
Balance at December 31, 2024	88,955	87,124	396,752	(1,462)	571,369

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total accumulated other comprehensive income			
Balance at January 1, 2024	6,856	(53)	131,269	(524)	137,548	341	21,529	736,156
Changes of items during the period								
Cash dividends								(17,292)
Net income attributable to owners of the parent								31,724
Purchase of treasury stock								(20,004)
Disposal of treasury stock								205
Retirement of treasury stock								—
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	1,827	180	52,423	661	55,093	(71)	(4,021)	51,000
Total changes of items during the period	1,827	180	52,423	661	55,093	(71)	(4,021)	45,633
Balance at December 31, 2024	8,684	127	183,693	136	192,642	270	17,507	781,790

Fiscal 2025 (January 1, 2025 – December 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at January 1, 2025	88,955	87,124	396,752	(1,462)	571,369
Changes of items during the period					
Cash dividends			(17,367)		(17,367)
Net income attributable to owners of the parent			7,468		7,468
Purchase of treasury stock				(30,004)	(30,004)
Disposal of treasury stock		33		162	195
Retirement of treasury stock		(29,680)		29,680	-
Change in ownership interest of parent due to transactions with noncontrolling interests		(1,527)			(1,527)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(31,174)	(9,898)	(161)	(41,234)
Balance at December 31, 2025	88,955	55,949	386,853	(1,623)	530,135

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total accumulated other comprehensive income			
Balance at January 1, 2025	8,684	127	183,693	136	192,642	270	17,507	781,790
Changes of items during the period								
Cash dividends								(17,367)
Net income attributable to owners of the parent								7,468
Purchase of treasury stock								(30,004)
Disposal of treasury stock								195
Retirement of treasury stock								-
Change in ownership interest of parent due to transactions with noncontrolling interests								(1,527)
Net changes of items other than shareholders' equity	(2,225)	(206)	19,320	2,954	19,842	(40)	(5,182)	14,620
Total changes of items during the period	(2,225)	(206)	19,320	2,954	19,842	(40)	(5,182)	(26,614)
Balance at December 31, 2025	6,458	(78)	203,014	3,091	212,485	229	12,325	755,175

#### (4) Consolidated Statements of Cash Flows

		(Millions of yen)
	Fiscal 2024 (January 1, 2024 – December 31, 2024)	Fiscal 2025 (January 1, 2025 – December 31, 2025)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and noncontrolling interests	53,176	19,821
Depreciation and amortization	85,260	84,702
Loss (gain) on sale of investment securities	(1,526)	(5,086)
Impairment loss	16,793	29,626
Loss on disposal of tangible fixed assets	5,341	1,468
Loss (gain) on sale of tangible non-current assets	—	1,021
Loss on liquidation of business	4,452	848
Foreign exchange losses (gains)	(6,591)	(2,130)
Interest and dividend income	(4,150)	(3,087)
Interest expenses	2,738	2,807
Decrease (increase) in notes and accounts receivable – trade	2,199	(8,854)
Decrease (increase) in inventories	(17,259)	(6,327)
Increase (decrease) in notes and accounts payable – trade	6,238	(1,332)
Other, net	8,356	4,696
<b>Subtotal</b>	<b>155,030</b>	<b>118,173</b>
Interest and dividends received	4,297	5,037
Interest paid	(2,090)	(1,820)
Income taxes (paid) refund	(18,943)	(22,799)
<b>Net cash provided by (used in) operating activities</b>	<b>138,294</b>	<b>98,591</b>
<b>Net cash provided by (used in) investing activities</b>		
Proceeds from sale and redemption of investment securities	2,125	7,005
Purchase of tangible fixed assets and intangible fixed assets	(71,383)	(94,177)
Payments for disposal of tangible fixed assets and intangible fixed assets	(4,396)	(3,478)
Other, net	(2,353)	(7,479)
<b>Net cash provided by (used in) investing activities</b>	<b>(76,008)</b>	<b>(98,129)</b>

<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(16,392)	21,270
Net increase (decrease) in commercial paper	—	11,000
Proceeds from long-term loans payable	—	35,000
Repayment of long-term loans payable	(24,959)	(18,024)
Payment for redemption of corporate bonds	—	(10,000)
Purchase of treasury stock	(20,004)	(30,004)
Dividends paid	(17,292)	(17,367)
Other, net	(3,855)	(8,179)
<b>Net cash provided by (used in) financing activities</b>	<b>(82,504)</b>	<b>(16,305)</b>
Effect of exchange rate changes on cash and cash equivalents	8,848	2,464
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11,369)</b>	<b>(13,378)</b>
Cash and cash equivalents, beginning of the period	133,663	121,692
Decrease in cash and cash equivalents from exclusion of subsidiaries from consolidation	(601)	—
<b>Cash and cash equivalents, end of the period</b>	<b>121,692</b>	<b>108,314</b>

## **(5) Notes regarding Consolidated Financial Statements**

### **Notes regarding Going Concern Assumptions**

None

### **Changes in Accounting Principles**

Changes in Accounting Principles

Application of Accounting Standard for Current Income Taxes

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from January 1, 2025. These changes have no effect on consolidated financial statements.

## **Notes regarding Segment Information, etc.**

### **(Segment Information)**

#### **1. Segment Overview**

The business segments reported by Kuraray are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigations to determine the distribution of management resources and evaluate their business results.

Kuraray adopts an in-house company system where each in-house company conducts business activities and establishes its own comprehensive strategy, both for Japan and for overseas markets, for the products it handles. In addition, among Kuraray subsidiaries, Kuraray Trading Co., Ltd. independently conducts propriety planning and sales activities, including the processing and sale of Kuraray Group products as well as other companies' products.

Consequently, Kuraray has created five business segments for reporting – “Vinyl Acetate,” “Isoprene,” “Functional Materials,” “Fibers and Textiles” and “Trading” – categorized by product group based on the respective in-house companies and the Trading segment.

The Vinyl Acetate segment manufactures and markets functional resins and film, including PVOH, PVB and EVAL™ EVOH resin. The Isoprene segment manufactures and markets SEPTON™ thermoplastic elastomer, isoprene-related products and GENESTAR™ heat-resistant polyamide resin. The Functional Materials segment manufactures and markets methacrylic resin, medical products, activated carbon and others. The Fibers and Textiles segment manufactures and sells synthetic fibers and textiles, CLARINO™ man-made leather and others. The Trading segment mainly processes and sells synthetic fibers and man-made leather, and conducts planning and marketing for other products produced by the Kuraray Group and other companies.

#### **2. Methods for Calculating Reporting Segment Net Sales, Income and Loss, Assets and Other Items**

The accounting method applied to reporting segments is the same as that used in creating the consolidated financial statements. Profits from reporting segments are operating income, and intersegment sales and transfers are based on the prevailing market prices.

**3. Net Sales, Income and Loss, Net Assets and Other Items by Reporting Segment**  
**Fiscal 2024 (January 1, 2024 to December 31, 2024)**

(Millions of yen)

	Reporting Segment						Others <sup>1</sup>	Total	Adjustment <sup>2,4</sup>	Consolidated Statements of Income <sup>3</sup>
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales										
Outside customers	397,979	58,166	202,949	58,079	66,381	783,556	43,339	826,895	—	826,895
Inter-segment sales and transfers	16,928	18,198	5,032	4,595	1,243	45,998	7,524	53,523	(53,523)	—
Total	414,907	76,365	207,981	62,674	67,625	829,555	50,863	880,419	(53,523)	826,895
Segment income (loss)	87,630	(9,498)	12,946	1,207	5,915	98,201	2,295	100,497	(15,416)	85,081
Segment assets	564,942	165,243	317,962	82,733	57,117	1,187,998	25,496	1,213,494	77,743	1,291,238
Other items										
Depreciation and amortization (other than goodwill)	42,342	10,638	17,534	5,354	247	76,117	575	76,692	3,697	80,390
Impairment loss	458	137	10,361	5,395	284	16,637	54	16,692	101	16,793
Amortization of goodwill	1,747	—	3,122	—	—	4,870	—	4,870	—	4,870
Balance of goodwill at end of current period	14,436	—	39,154	—	—	53,591	—	53,591	—	53,591
Investments in equity method affiliates	—	—	—	4,018	—	4,018	2,741	6,760	—	6,760
Increase in tangible fixed assets and intangible fixed assets	45,006	4,307	23,556	4,306	388	77,564	783	78,348	5,928	84,276

Notes:

1. The “Others” category incorporates operations not included in business segment reporting, including the engineering business.
2. Adjustment is as follows: Included within segment loss of ¥15,416 million is the elimination of intersegment transactions of ¥3,111 million and corporate expenses of ¥18,528 million. Corporate expenses mainly comprise the submitting company’s basic research expenses.
3. Segment income (loss) is adjusted to agree with operating income in the consolidated statements of income.
4. Adjustment is as follows: Included with segment assets of ¥77,743 million is the elimination of intersegment transactions of ¥60,422 million and unallocated corporate assets of ¥138,166 million. Corporate assets mainly comprise the submitting company’s surplus funds, long-term investments and assets related to basic research and administrative divisions at headquarters.

**Fiscal 2025 (January 1, 2025 to December 31, 2025)**

(Millions of yen)

	Reporting Segment						Others <sup>1</sup>	Total	Adjustment <sup>2,4</sup>	Consolidated Statements of Income <sup>3</sup>
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales Outside customers	387,169	61,057	202,208	56,265	67,343	774,043	34,404	808,447	—	808,447
Inter-segment sales and transfers	17,325	19,320	4,730	4,484	1,423	47,284	6,390	53,675	(53,675)	—
<b>Total</b>	<b>404,495</b>	<b>80,378</b>	<b>206,939</b>	<b>60,749</b>	<b>68,766</b>	<b>821,328</b>	<b>40,794</b>	<b>862,123</b>	<b>(53,675)</b>	<b>808,447</b>
Segment income (loss)	62,545	(4,864)	10,826	2,633	6,039	77,179	1,795	78,975	(20,092)	58,882
Segment assets	596,759	140,200	321,950	75,656	59,226	1,193,793	23,605	1,217,399	86,112	1,303,511
Other items										
Depreciation and amortization (other than goodwill)	41,531	11,138	17,368	4,322	238	74,599	651	75,251	4,166	79,418
Impairment loss	1,148	25,636	784	1,909	—	29,478	147	29,626	—	29,626
Amortization of goodwill	1,743	—	2,938	—	—	4,682	—	4,682	601	5,283
Balance of goodwill at end of current period	12,959	—	35,684	—	—	48,643	—	48,643	3,568	52,212
Investments in equity method affiliates	—	—	—	4,416	—	4,416	—	4,416	—	4,416
Increase in tangible fixed assets and intangible fixed assets	62,699	4,332	27,118	4,397	141	98,689	908	99,598	7,230	106,829

Notes:

1. The “Others” category incorporates operations not included in business segment reporting, including the engineering business.
2. Adjustment is as follows: Included within segment loss of ¥20,092 million is the elimination of intersegment transactions of 2,090 million and corporate expenses of ¥22,182 million. Corporate expenses mainly comprise the submitting company’s basic research expenses.
3. Segment income (loss) is adjusted to agree with operating income in the consolidated statements of income.
4. Adjustment is as follows: Included with segment assets of ¥86,112 million is the elimination of intersegment transactions of ¥55,087 million and unallocated corporate assets of ¥141,199 million. Corporate assets mainly comprise the submitting company’s surplus funds, long-term investments and assets related to basic research and administrative divisions at headquarters.

## Related Information

Fiscal 2024 (January 1, 2024 – December 31, 2024)

### 1. Information by Each Product and Service (Millions of yen)

	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Others	Total
Net sales to outside customers	408,212	73,838	206,564	89,292	48,987	826,895

Notes:

Principal products of each segment are as follows:

Vinyl Acetate: PVOH resin and film, PVB resin and film, EVAL™ EVOH resin and others

Isoprene: SEPTON™ thermoplastic elastomer, isoprene chemicals, GENESTAR™ heat-resistant polyamide resin and others

Functional Materials: Methacrylic resin, medical products, activated carbon, aqua business and others

Fibers and Textiles: KURALON™, CLARINO™ man-made leather, non-woven fabrics, MAGICTAPE™ hook and loop fasteners, polyester and others

Others: Engineering business and others

### 2. Information by Geographical Segment

#### (1) Net Sales (Millions of yen)

Japan	United States	China	Europe	Asia	Others	Total
172,112	183,517	123,644	206,548	87,614	53,458	826,895

Note: Net sales are classified by country or area based on customer location.

#### (2) Tangible Fixed Assets (Millions of yen)

Japan	United States	Thailand	Others	Total
171,364	183,748	81,498	103,774	540,385

### 3. Major Customers

No information is available as there is no single outside customer accounting for 10% or more of the Company's total net sales.

Fiscal 2025 (January 1, 2025 – December 31, 2025)

### 1. Information by Each Product and Service (Millions of yen)

	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Others	Total
Net sales to outside customers	398,582	76,941	205,579	87,314	40,030	808,447

Notes:

Principal products of each segment are as follows:

Vinyl Acetate: PVOH resin and film, PVB resin and film, EVAL™ EVOH resin and others

Isoprene: SEPTON™ thermoplastic elastomer, isoprene chemicals, GENESTAR™ heat-resistant polyamide resin and others

Functional Materials: Methacrylic resin, medical products, activated carbon, aqua business and others

Fibers and Textiles: KURALON™, CLARINO™ man-made leather, MAGICTAPE™ hook and loop fasteners, polyester and others

Others: Engineering business and others

## 2. Information by Geographical Segment

### (1) Net Sales

(Millions of yen)

Japan	United States	China	Europe	Asia	Others	Total
161,763	188,088	119,732	203,681	84,219	50,962	808,447

Note: Net sales are classified by country or area based on customer location.

### (2) Tangible Fixed Assets

(Millions of yen)

Japan	United States	Thailand	Others	Total
169,863	178,386	59,280	141,581	549,112

## 3. Major Customers

No information is available as there is no single outside customer accounting for 10% or more of the Company's total net sales.

### Noncurrent assets and impairment loss by reporting segment

Fiscal 2024 (January 1, 2024 – December 31, 2024)

Omitted because the same information is provided under segment information

Fiscal 2025 (January 1, 2025 – December 31, 2025)

Omitted because the same information is provided under segment information

### Amortization of goodwill and unamortized balances by reporting segment

Fiscal 2024 (January 1, 2024 – December 31, 2024)

Omitted because the same information is provided under segment information

Fiscal 2025 (January 1, 2025 – December 31, 2025)

Omitted because the same information is provided under segment information

### Negative goodwill by reporting segment

Fiscal 2024 (January 1, 2024 – December 31, 2024)

None

Fiscal 2025 (January 1, 2025 – December 31, 2025)

None

## Per Share Information

	Fiscal 2024 (January 1, 2024 – December 31, 2024)	Fiscal 2025 (January 1, 2025 – December 31, 2025)
Net assets per share (yen)	2,359.03	2,418.65
Basic net income per share (yen)	96.33	23.62
Diluted net income per share (yen)	96.27	23.60

Note: The basis for the computation of basic and diluted income per share is as follows:

	Fiscal 2024 (January 1, 2024 – December 31, 2024)	Fiscal 2025 (January 1, 2025 – December 31, 2025)
Basic net income per share		
Net income attributable to owners of the parent (millions of yen)	31,724	7,468
Amount unallocated to common stock (millions of yen)	—	—
Net income attributable to owners of the parent allocated to common stock (millions of yen)	31,724	7,468
Average number of common stock outstanding during the fiscal year (thousand shares)	329,327	316,247
Diluted net income per share		
Adjustment made on net income (millions of yen)	—	—
Increase of common stocks (thousand shares)	214	179
[Subscription rights to shares included in above]	(214)	(179)
Outline of the residual securities not included in the calculation of the diluted net income	—	—

## Significant Subsequent Information

### Share Buyback

At the Board of Directors meeting held on February 10, 2026, the Company resolved to conduct the following share buyback based on the rules set out in Article 165, Paragraph 3 of the Companies Act as applied mutatis mutandis to Article 156.

#### 1. Reason for the Buyback

The Company positions the distribution of profits to all shareholders as a priority management issue. Our shareholder return policy is to ensure a total return ratio of at least 50% as a proportion of net income attributable to owners of the parent, hold steady or increase dividends per share, and aim to continually conduct share buybacks. Based on this policy, the Company decided to conduct this share buyback.

#### 2. Buyback Details

(1) Type of shares in buyback:

Common stock

(2) Maximum number of shares:

Up to 8.0 million shares

(Approximately 2.61% of total outstanding shares, excluding treasury stock)

Up to ¥10.0 billion

(3) Maximum value of buyback:

Market purchase based on a trade contract for acquiring treasury stock

(4) Buyback method:

Market purchase based on a trade contract for acquiring treasury stock

(5) Buyback period:

February 12, 2026 to May 31, 2026