

February 10, 2026  
KURARAY CO., LTD.

**Notice Regarding Impairment Loss, Loss on Valuation of Shares of Subsidiaries and Provision of Allowance for Loss on Loans to Subsidiaries, and Differences between the FY2025 Financial Forecast and the Actual Results**

KURARAY CO., LTD. (the “Company”) hereby announces that the Company has recorded impairment loss in its consolidated financial statements and loss on valuation of shares of subsidiaries and provision of allowance for loss on loans to subsidiaries in its non-consolidated financial statements for the fiscal year ended December 31, 2025. Also, the following differences has emerged between the consolidated financial forecast for the fiscal year ended December 31, 2025, which were announced on November 12, 2025, and the actual results announced today.

**1. Recording of impairment loss (consolidated financial statement)**

Due to the deterioration of the business environment, the Company determined that there were indications of impairment for the asset groups related to the Isoprene Chemicals business and the styrenic thermoplastic elastomers in the elastomer business. After estimating future cash flows, the book value of fixed assets related to both assets group were reduced to their recoverable amounts. Consequently, an impairment loss of ¥25.6 billion was recorded as an extraordinary loss in the consolidated financial statements for the fiscal year ended December 31, 2025.

Application	Impairment Loss Amount
Asset for Isoprene Chemicals business	¥15.0 billion
Asset for styrenic thermoplastic elastomers in the elastomer business	¥10.6 billion

**2. Recording of loss on valuation of shares of subsidiaries and provision of allowance for loss on loans to subsidiaries (non-consolidated financial statements)**

Consequently, the Company recorded a loss on valuation of shares of subsidiaries of ¥22.6 billion and a provision of allowance for loss on loans to subsidiaries of ¥13.1 billion in its non-consolidated financial statements for the fiscal year ended December 31, 2025.

Note that both losses are eliminated in the consolidated financial statements and therefore have no impact on consolidated profit or loss for the fiscal year ended December 31, 2025.

3. Differences between the Financial Forecast and the Actual Results

(1) Differences between the consolidated financial forecast for the fiscal year ended December 31, 2025, and the actual results (January 1, 2025- December 31, 2025)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share
Previous forecast (A)	Million yen 810,000	Million yen 60,000	Million yen 53,000	Million yen 23,000	Yen 74.66
Actual results (B)	808,447	58,882	51,515	7,468	23.62
Differences (B-A)	(1,552)	(1,117)	(1,485)	(15,531)	
Changes (%)	(0.2%)	(1.9%)	(2.8%)	(67.5%)	
(Ref.) Results for the previous fiscal year (FY2024)	826,895	85,081	81,480	31,724	96.33

(2) Reasons for the differences

Consolidated results for the current fiscal year were roughly in line with the previous forecast in terms of net sales, operating income and ordinary income. Net income attributable to owners of parent fell short of the previous forecast due to the recording of extraordinary losses in the fourth quarter, including aforementioned impairment loss.

The forecast for year-end dividend for the fiscal year ended December 31, 2025, remains unchanged from the ¥27 per share announced on August 8, 2025.

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