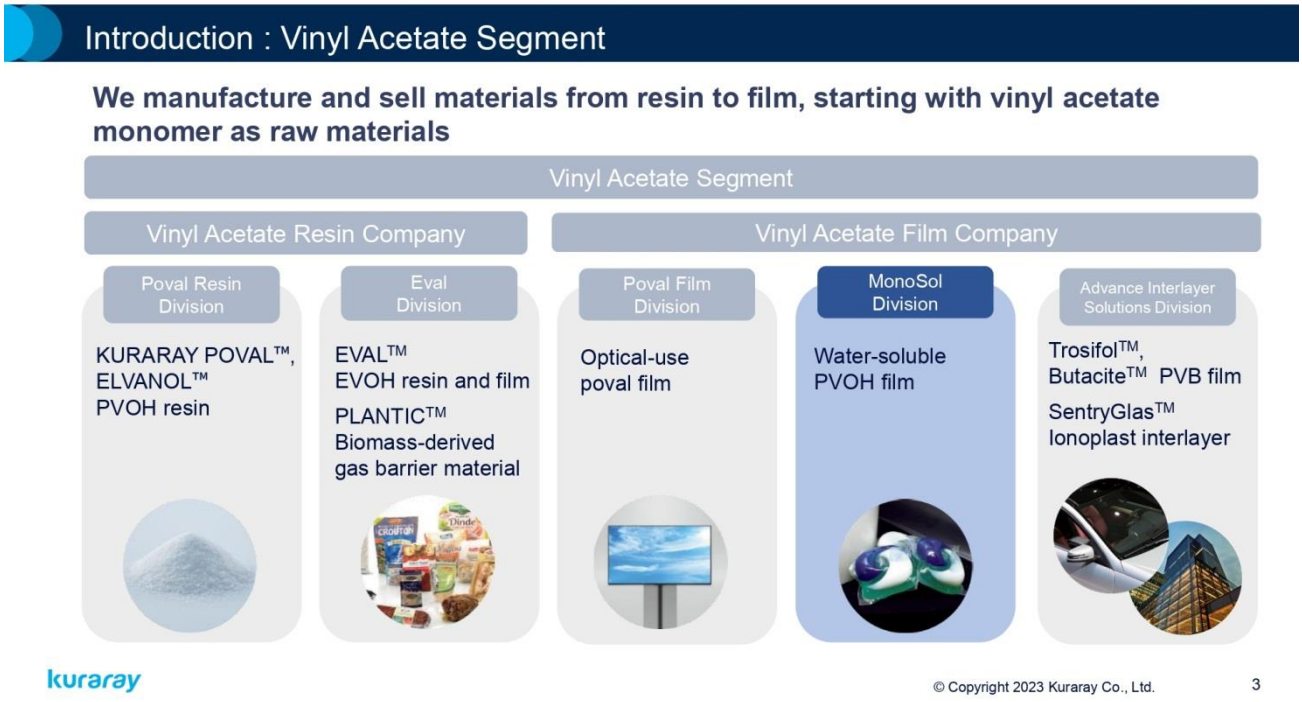
Kuraray Co., Ltd.

Management Briefing

Presenter:

Hitoshi Kawahara	President and Representative Director
Hiroaya Hayase	Representative Director and Senior Managing Executive Officer Vinyl Acetate Film Company Executive Supervisor
Christian Herrmanns	Executive Officer, General Manager of MonoSol Division, MonoSol, LLC. President

June 19, 2023



Kawahara: Once again, thank you very much for taking time out of your busy schedule today to attend Kuraray management briefing. Today, we will introduce the water-soluble PVOH film business from the Kuraray Group's core business, the vinyl acetate segment. We are manufacturing and selling water-soluble PVOH film globally, mainly through our US subsidiary, MonoSol, LLC. Back in 2012, we acquired MonoSol, LLC, and since then it's been a very steady growth. We have been capturing the demand of SUD, and we have done adequate investment for the CapEx. We have been able to benefit from a very healthy, steady growth annually. We will come back to that later on.

MonoSol is one of the divisions in Vinyl Acetate Film Company. Christian Herrmanns is Executive Officer of Kuraray, General Manager of MonoSol Division, and MonoSol, LLC's President. Please see page three of the presentation material, I would like to talk briefly about the value chain of the vinyl acetate segment. The vinyl acetate segment, as this slide shows, consists of five divisions.

Company-wise, there are two companies. Vinyl Acetate Resin Company is on the left-hand side, and three divisions on the right-hand side fall under Vinyl Acetate Film Company. Left side has this poval resin division and EVAL division. Those two are more of manufacturing and sale of resins, although some EVAL™ part consists of a film production as well. The poval resin division also manufactures vinyl acetate monomer. Brand names are KURARAY POVAL™ and ELVANOL™, one that we acquired from DuPont in 2014. In 2015, we acquired PLANTIC, a biomass-derived gas barrier material, and this falls under the EVAL division as well.

On the right-hand side, Vinyl Acetate Film Company has three divisions that manufacture films. The leftmost is the poval film division, our optical-use poval film unit, and the MonoSol division provides a water-soluble PVOH film. Furthest to the right, the Advanced Interlayer Solutions division provides this PVB film. In 2004, we acquired Trosifol from the German company, and in 2014, Butacite and SentryGlas, an Ionoplast interlayer, from American company. Since the early 2000s, the Kuraray Group has been expanding its business mainly by M&A.

2012 was the year MonoSol joined the Kuraray Group. Our strength is its capability to produce from vinyl acetate monomer, the raw material of the poval resins, which can then be turned into various poval films.

Also, we manufacture the fiber from the PVOH resin. We do have an extensive powerful supply chain, which connects us to global customers. We intend to enhance the foundation of our business in this vinyl acetate segment, even going forward. This was a brief explanation from myself.

Now, to Christian Herrmanns, our Executive Officer, the General Manager of MonoSol Division, and the President of MonoSol, LLC.



Herrmanns: Thank you very much, Kawahara-san. Good morning and thank you very much for the opportunity.

MonoSol was founded in 1953 as a product supplier to the automotive industry, mainly. The business has grown substantially over the last 70 years, driven in large part by our focus of the development of water-soluble PVOH films for laundry markets, and detergents in general. Kuraray was, even before the acquisition in 2012, a major supplier of PVOH resin and development partner and instrumental in our transition to producing water-soluble films during the 1990s and the early 2000s. Seeing our growth, we were acquired by Kuraray in 2012.

Today, we have grown to seven manufacturing facilities around the world on all three continents: North America, Europe, and Asia, with more than 750 employees. Our original facility from 1953 is still operational today, making specialty products for our business.



Kuraray's lead corporate statement is for people and the planet, to achieve what no one else can. At MonoSol, we strongly support that ambition, with a statement that is unique to the products and capabilities that we offer. A future without waste is our translation of how MonoSol and our people can make a positive difference in the world. From an environmental, social, and economic perspective.

We specialize in making products that minimize waste and benefit the planet. Equally, we are compelled to not waste, employee talent, time, or economic resources. This motivates our company and our people to achieve new levels of success in whatever we do.



Similarly, our mission is an expression of our unique technical capabilities and deep collaborative relationships with the world's largest and best-known consumer product companies. These companies have broad portfolios of products that are designed to make life better and easier by delivering superior performance, greater convenience, and uncompromised safety.

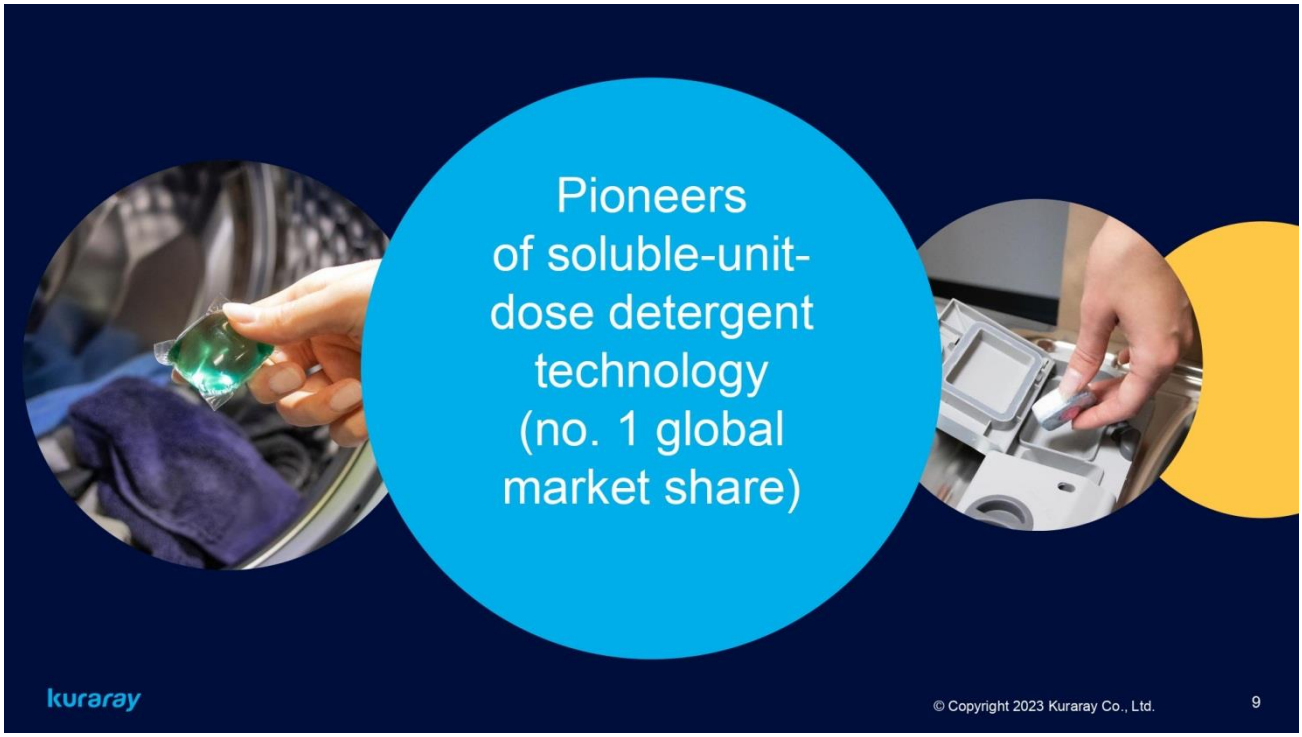
When we consider any new projects or products, this is a simple first screen test and the guidance. We must always ask how we are making everyday life safer, simpler, and more sustainable.



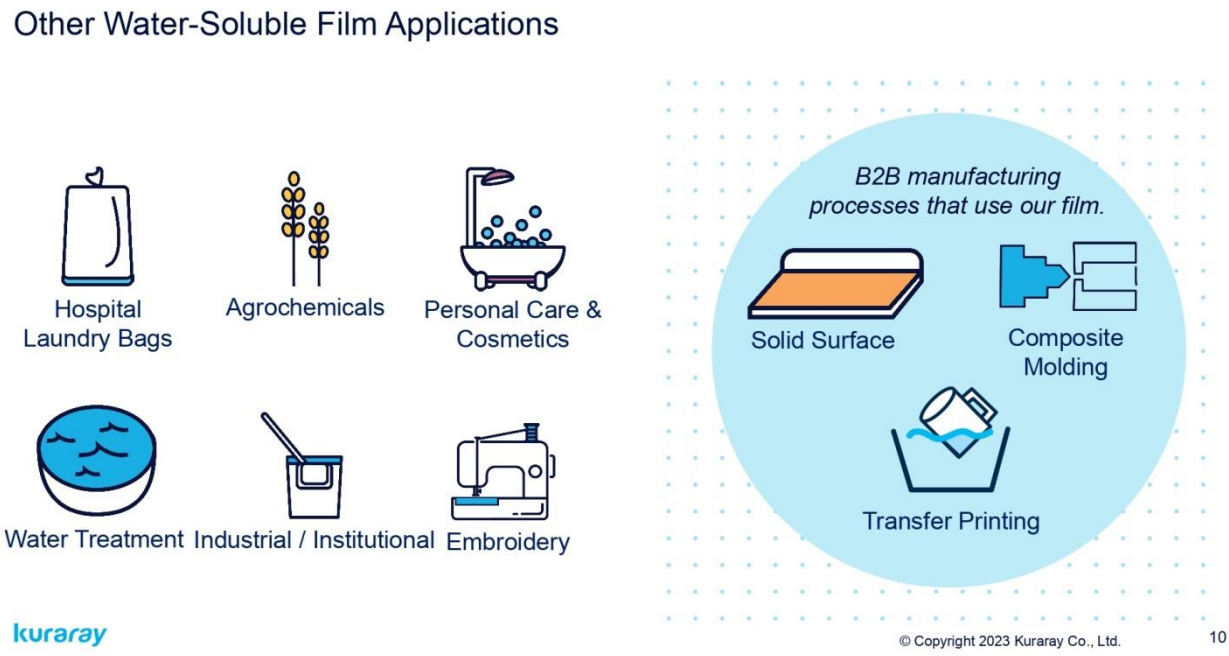
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As part of Kuraray Group, MonoSol offers unrivaled expertise in water-soluble film technology and the ability to constantly improve our products because of our vertical integration and ability to innovate all the way back to the polymer technology in the resins. Today, almost every single new film innovation requires also a new resin and polymer innovation. We serve every major market around the world with extensive stewardship expertise and capabilities to be in full compliance with all local regulatory requirements.

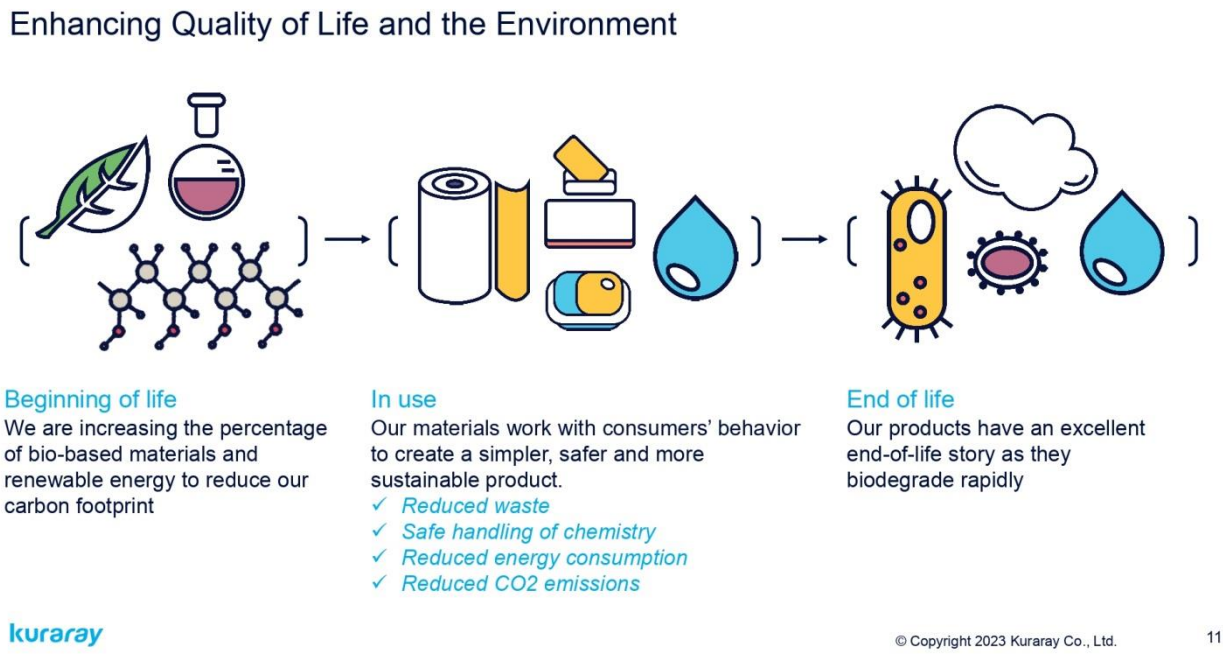
We additionally provide extensive technical support, working directly with our customers in their facilities around the world to ensure that we understand the conversion needs, recommend adjustments to their processes, and technology, and feed that information back into our own research, development, and operations to constantly improve our products in ways that improve our customers' quality and efficiency.



Next slide please. MonoSol is best known for being the leader in water-soluble films for the laundry and dishwasher detergent industry. A number one position we have maintained and grown for the past 20 years.



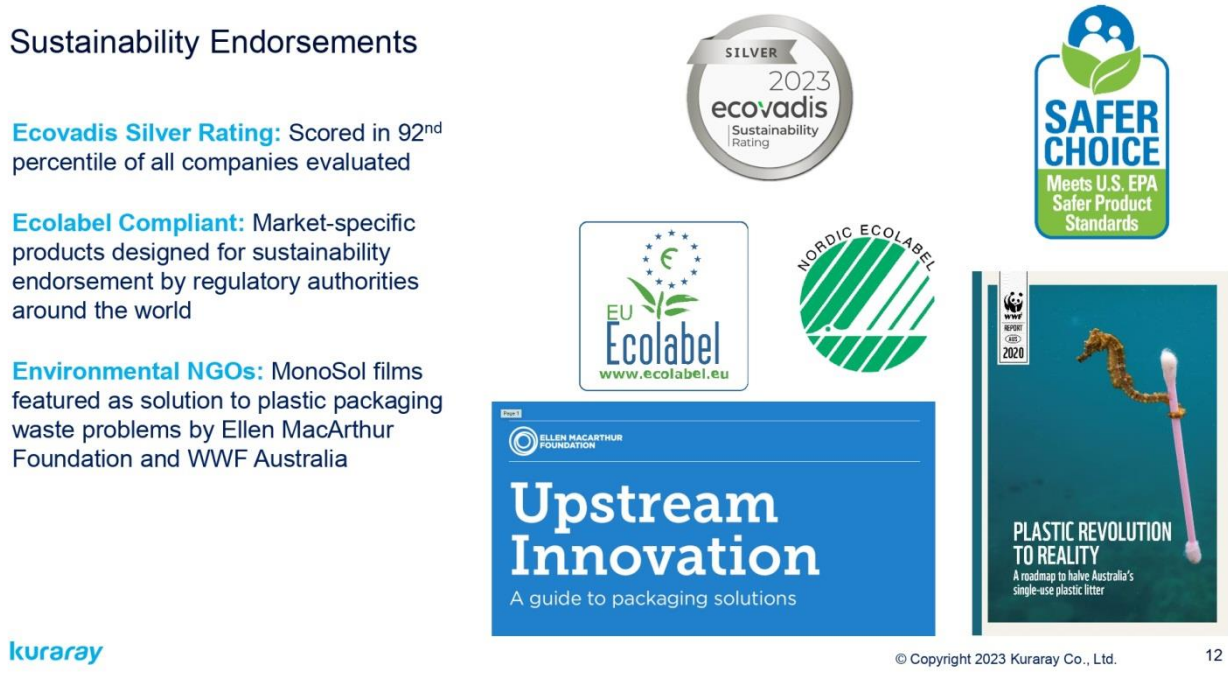
There are many other applications for our technology as well, though they are currently much smaller than our detergent business. These include the manufacturer of water-soluble laundry bags for hospitals, the safe application of agrochemicals, water treatment chemicals, and industrial cleaning products. Our films are also used to manufacture solid surface countertops, enable transfer printing, and other industrial processes.



To the next slide, please.

We design materials that are simpler, safer, and more sustainable by making improvements throughout the product life cycle. In the beginning of life phase, new formulations and bio-based materials are developed that offer better dissolution, faster biodegradation, and using renewable energy to reduce our carbon footprint. In use, we enable premeasured convenience for consumers, protection from harsh chemicals, and our concentrated products reduce weight, use of less packaging materials, and lower transportation emissions.

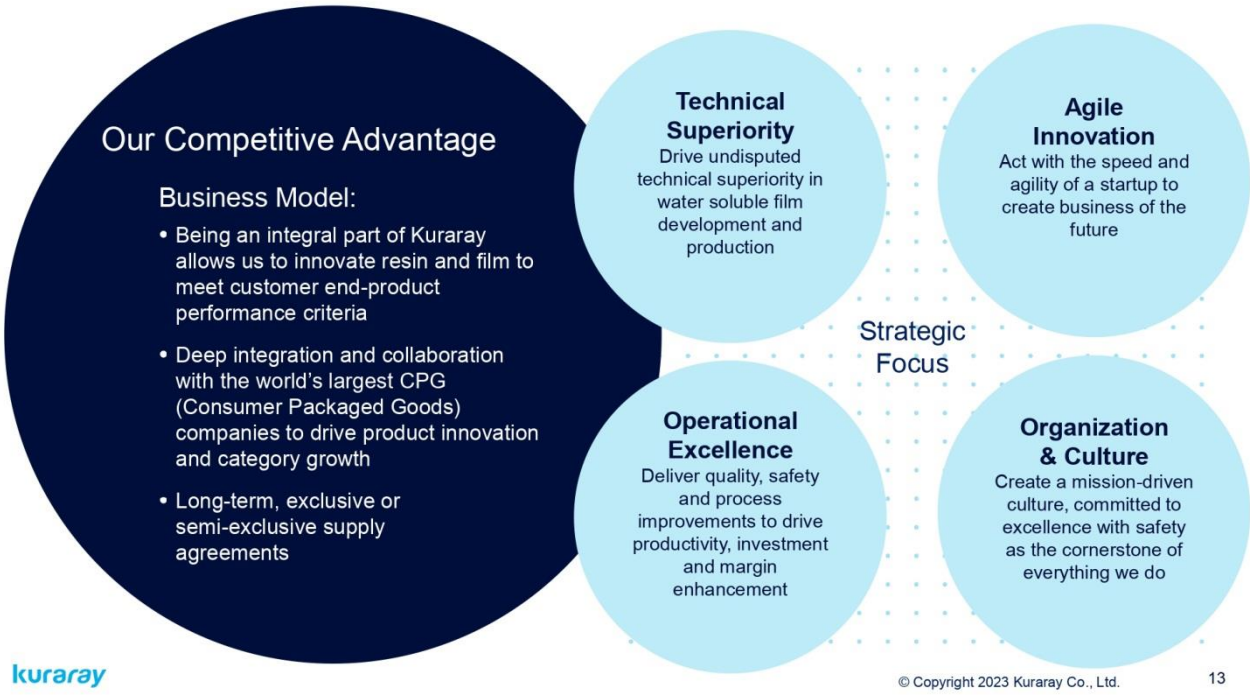
Colder wash significantly reduces greenhouse gas emissions in the consumer use phase. End of life, our products dissolve during use and biodegrade quickly and completely in wastewater treatment. This is rigorously tested for environmental safety by independent laboratories using established global standards.



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MonoSol works very closely with global sustainability organizations to verify the sustainability benefits of our products. We are proud to have achieved an Ecovadis Silver Rating for our products, processes, and policies. These ratings are critically important to how our customers are evaluating and selecting their suppliers and give us a significant competitive advantage. Our products are also compliant with various eco-labeling programs around the world, which is a critical differentiator for our customers who want to show how their products are meeting sustainability criteria verified by these third-party agencies.

Finally, it's never enough to say that we are not part of the pollution problem. Instead, we believe that water-soluble films are the solution to issues of pollution and waste. As such, we are proud to have been featured by prominent environmental NGOs in the upstream innovation guides and recommendations for technologies to be explored by industries as they seek to reduce plastic waste. Here, we just show two examples from the globally recognized Ellen MacArthur Foundation and the World Wildlife Fund in Australia.



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MonoSol offers a strong competitive advantage to our customers that is very appealing. Our business model is characterized by the strong integration with Kuraray that allows us to innovate resin and film back to the polymer level. We partner closely with our customers to drive innovation and category growth, and we focus on the development of long-term exclusive or semi-exclusive supply agreements with minimum share and volume requirements. These relationships not only foster greater collaboration between our customers and us, but also ensure much less economic volatility than we would otherwise be experiencing in turbulent markets, not just for us but for our customers as well.

Our strategic focus, as a company, is to ensure that we are not only the biggest, that we can be the best, offering the most technologically advanced products, the highest quality and end-use benefits, agile innovation, and a team culture that is committed to excellence in everything we do.

MonoSol Division's Sales and Volumes Trends

(2013 as 100%)



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- Current socio-economic conditions putting pressure on consumer markets, especially in Europe while the US continues modest growth
  - Russian market loss
  - China lockdowns
  - Inventory overstock for business continuity during COVID

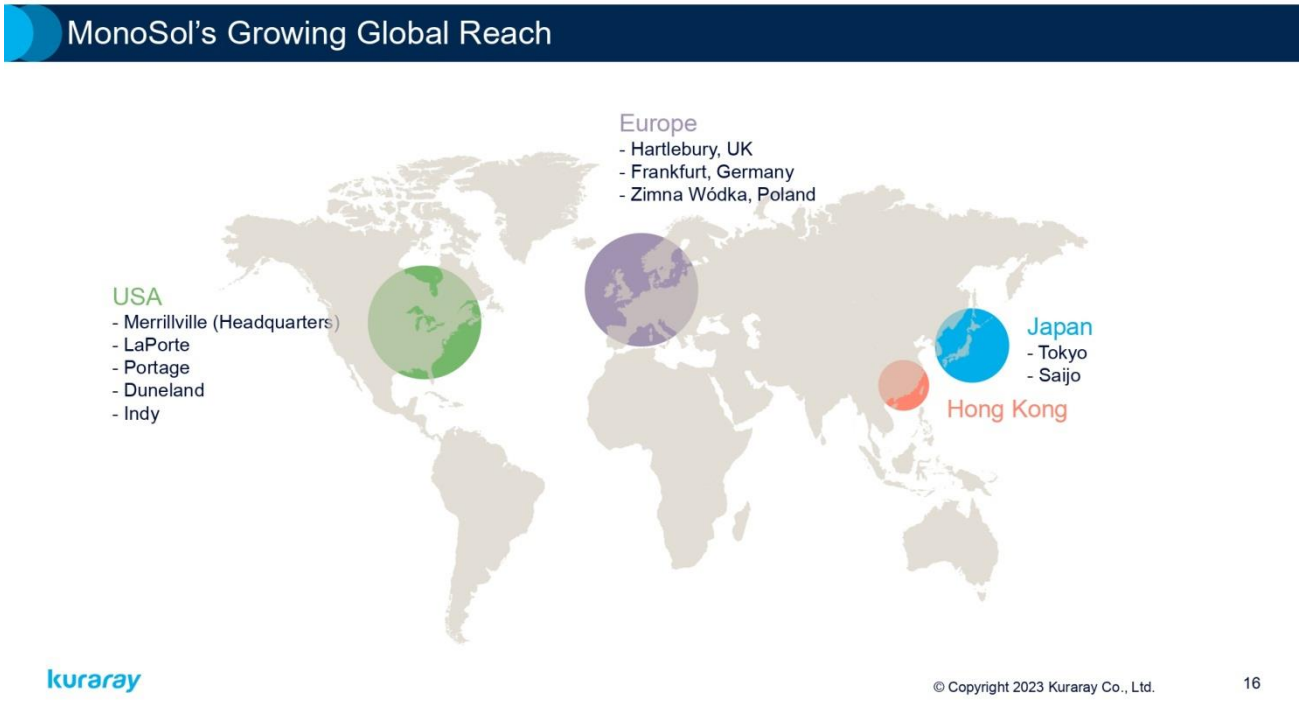
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Next slide, please. Our long-term performance has been excellent with strong growth and profitability, as you can see here on the slide. While the current socioeconomic environment is challenging over the near to midterm, putting pressure on consumer markets, we expect continued strong growth in the long term.



Next slide, please. What I would like to stress in particular is that it could not be a better time for us to be in the soluble unit dose business. Given the investments our customers are making, all of them declaring the SUD category as strategic. We have grown 10% CAGR and expect to keep growing at a rate between 7% and 10% going forward. The rationale is where we focus, driving the development, the developed market SUD share from 30% to 50% category share, in North America and Europe, combined with a selective focus on growth in new markets such as Japan and China.

We must be at the forefront of the sustainability transformation, not just because it becomes a requirement for markets, but because it is a key differentiator for us, and it is part of our DNA as a company. Therefore, we must invest upstream in bio-based, carbon neutral, and biodegradable solutions.



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As mentioned earlier, MonoSol continues to expand its global presence and regionalize the supply chain, especially throughout COVID-19, we realize the value and the strategic importance of local supply. This is critical to serving future growth markets.

As we learned through the pandemic, to ensure business continuity and supply chain disruption, in addition to the seven manufacturing facilities, the newest of which is located in Poland, and which will be starting up production in early 2024, we have sales, marketing, and in particular, technical teams strategically positioned to serve every major customer market around the world locally. That includes North America, Europe, Japan, and China, in particular.



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As mentioned on the previous slide, our newest facility located in Poland is complete and ready to begin operations. We have strategically positioned this facility to provide better service to our European customers, provide logistical business continuity, and shorten trade routes from proven economic and environmental efficiency.

Over the medium term, the increase in production capacity is required to meet market demand. Over the short term, it will allow us the opportunity to perform much-needed maintenance and upgrades to our US-based lines, which have been running almost nonstop since being put into service.

That concludes my presentation. Thank you very much for your attention.