

**Consolidated Financial Results**  
**for the Six Months**  
**Ended June 30, 2025 (Unaudited)**

**August 8, 2025**  
**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.

August 8, 2025

## Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: KURARAY CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Stock code: 3405  
 URL: <https://www.kuraray.com/global-en/>  
 Representative: Hitoshi Kawahara, Representative Director and President  
 Inquiries: Shinichi Takizawa, Senior Manager, Corporate Communications  
 Department, Corporate Management Planning Office  
 Telephone: +81-3-6701-1070  
 Scheduled date to commence dividend payments: September 10, 2025  
 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 six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

#### (1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

|                  | Net Sales       |       | Operating Income |        | Ordinary Income |        | Net Income Attributable to Owners of the Parent |        |
|------------------|-----------------|-------|------------------|--------|-----------------|--------|---|--------|
| Six months ended | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                                 | %      |
| June 30, 2025    | 399,958         | (2.7) | 26,261           | (42.2) | 21,284          | (51.7) | 14,039  | (53.9) |
| June 30, 2024    | 411,217         | 7.9   | 45,464           | 11.0   | 44,022          | 14.2   | 30,446  | 39.4   |

Note: Comprehensive income For the six months ended June 30, 2025: -¥17,652 million [-%]  
 For the six months ended June 30, 2024: ¥103,896 million [41.6%]

|                  | Net Income per Share | Fully Diluted Net Income per Share |
|------------------|----------------------|------------------------------------|
| Six months ended | Yen                  | Yen                                |
| June 30, 2025    | 43.50                | 43.47                              |
| June 30, 2024    | 91.20                | 91.14                              |

## (2) Consolidated financial position

|                   | Total Assets    | Net Assets      | Equity Ratio |
|-------------------|-----------------|-----------------|--------------|
| As of             | Millions of yen | Millions of yen | %            |
| June 30, 2025     | 1,256,961       | 746,637         | 58.1         |
| December 31, 2024 | 1,291,238       | 781,790         | 59.2         |

Reference: Equity attributable to owners of the parent

As of June 30, 2025: ¥729,894 million

As of December 31, 2024: ¥764,012 million

## 2. Cash Dividends

|   | Cash Dividends per Share |                    |                   |                 |       |
|---|--------------------------|--------------------|-------------------|-----------------|-------|
|   | First quarter-end        | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
|   | Yen                      | Yen                | Yen               | Yen             | Yen   |
| Fiscal year ended<br>December 31, 2024                | —                        | 27.00              | —                 | 27.00           | 54.00 |
| Fiscal year ending<br>December 31, 2025               | —                        | 27.00              |                   |                 |       |
| Fiscal year ending<br>December 31, 2025<br>(Forecast) |                          |                    | —                 | 27.00           | 54.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

(Millions of yen)

|                     | Net Sales |     | Operating Income |        | Ordinary Income |        | Net Income<br>Attributable to Owners<br>of the Parent |     | Net Income<br>per Share<br>(Yen) |
|---------------------|-----------|-----|------------------|--------|-----------------|--------|---|-----|----------------------------------|
|                     |           | %   |                  | %      |                 | %      |   | %   |                                  |
| Full Fiscal<br>Year | 840,000   | 1.6 | 75,000           | (11.8) | 69,000          | (15.3) | 33,000  | 4.0 | 103.33                           |

Note: Revisions to forecasts of consolidated financial results during this period: Yes

### [Notes]

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

Newly included: 1 company (Nelumbo Inc.)

Excluded: 1 company (Kuraray Kuraflex Co., Ltd.)

(2) Adoption of accounting treatment specific to the preparation of interim consolidated financial statements: None

(3) 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 “2. Interim Consolidated Financial Statements and Notes (4) Notes regarding Interim Consolidated Financial Statements, Changes in Accounting Principles” on page 13 of the Attachment

(4) Number of issued shares (common shares)

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

|                         |                    |
|-------------------------|--------------------|
| As of June 30, 2025     | 324,863,603 shares |
| As of December 31, 2024 | 324,863,603 shares |

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

|                         |                  |
|-------------------------|------------------|
| As of June 30, 2025     | 5,495,549 shares |
| As of December 31, 2024 | 996,185 shares   |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

|                     |                    |
|---------------------|--------------------|
| As of June 30, 2025 | 322,756,736 shares |
| As of June 30, 2024 | 333,850,601 shares |

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 Financial Results (3) Basis for Forecasts, Including Consolidated Financial Results Forecasts” on page 7 of the Attachment for the assumptions used.

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## 1. Qualitative Information regarding Financial Results

### (1) Overview of Consolidated Financial Results

Interim period of fiscal 2025 (January 1, 2025–June 30, 2025), the overall world economy decelerated due to U.S. tariff policies, further increasing uncertainty going forward. In Japan, stagnant demand overseas cast a shadow on prospects for economic recovery. In the United States, although the economy has remained stable thanks to domestic demand, projections are increasingly indicating that growth will slow due to the tariff policies. In Europe, the overall economy remained on a gradual expansion track, however, the outlook has become less clear. Meanwhile, despite being underpinned by personal consumption driven by government-led economic stimulus measures, the Chinese economy saw growth remain low, especially in the real estate market.

Amid these circumstances, consolidated operating results for the interim period of fiscal 2025 are as follows: net sales decreased ¥11,259 million (2.7%) year on year to ¥399,958 million; operating income decreased ¥19,202 million (42.2%) year on year to ¥26,261 million; ordinary income decreased ¥22,737 million (51.7%) year on year to ¥21,284 million; and net income attributable to owners of the parent decreased ¥16,407 million (53.9%) year on year to ¥14,039 million. Inventory valuation differences and other negative effects resulted in the decreases in profit.

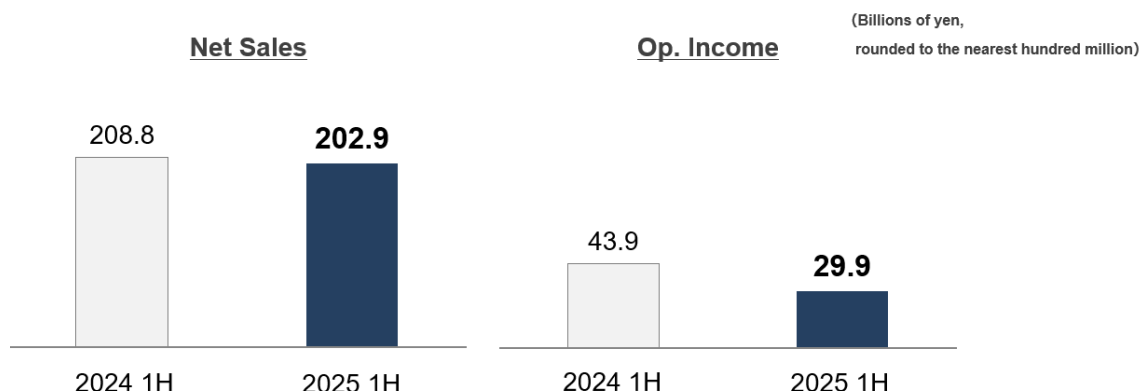
(Millions of yen)

|                         | FY2024 1H<br>Interim Period |                  | FY2025 1H<br>Interim Period |                  | Change    |                  |
|-------------------------|-----------------------------|------------------|-----------------------------|------------------|-----------|------------------|
|                         | Net sales                   | Operating income | Net sales                   | Operating income | Net sales | Operating income |
| Vinyl Acetate           | 208,840                     | 43,905           | 202,885                     | 29,871           | (5,954)   | (14,033)         |
| Isoprene                | 37,538                      | (4,025)          | 39,944                      | (1,311)          | 2,405     | 2,714            |
| Functional Materials    | 102,764                     | 6,466            | 98,140                      | 2,899            | (4,624)   | (3,566)          |
| Fibers and Textiles     | 31,233                      | 721              | 29,751                      | (57)             | (1,482)   | (778)            |
| Trading                 | 32,233                      | 2,737            | 33,908                      | 3,042            | 1,674     | 304              |
| Others                  | 24,998                      | 905              | 22,095                      | 726              | (2,903)   | (179)            |
| Elimination & Corporate | (26,390)                    | (5,246)          | (26,766)                    | (8,909)          | (375)     | (3,663)          |
| Total                   | 411,217                     | 45,464           | 399,958                     | 26,261           | (11,259)  | (19,202)         |

## **Results by Business Segment**

### **Vinyl Acetate**

Sales in this segment were ¥202,885 million (down 2.9% year on year), and segment income was ¥29,871 million (down 32.0% year on year). Sales volume did not increase as much as expected due to European economic stagnation as well as 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. There were also negative effects from inventory valuation differences and rising raw material and fuel prices.

Optical-use poval film: Although sales remained firm on the back of Chinese government measures to support home appliance replacement, inventory valuation differences had a negative impact on results.

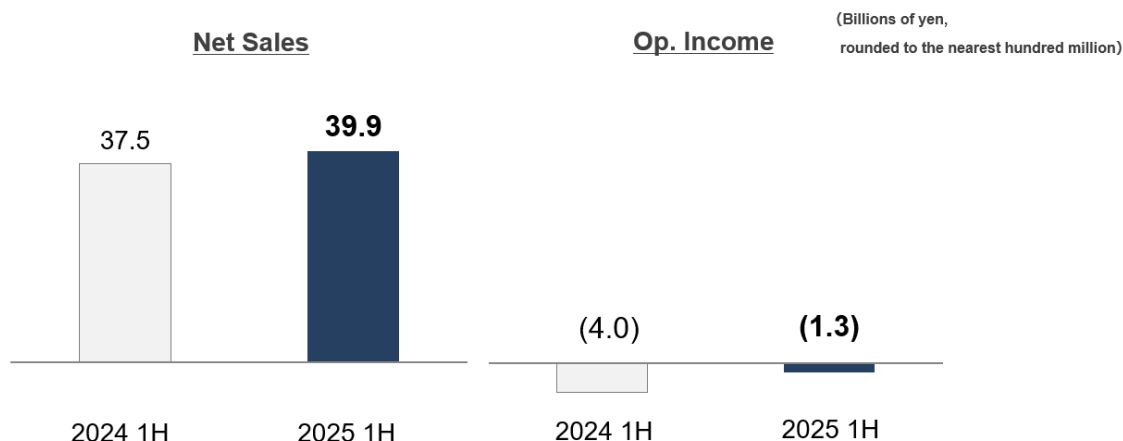
Advanced Interlayer Solutions: Although sales of SentryGlas™ specialty ionoplast interlayers remained favorable, especially in the Americas, the competitive environment for PVB film has intensified, particularly in Asia. As a result, sales volume has decreased for both construction and automotive applications.

Water-soluble PVOH film: Sales volume increased amid a slight recovery in demand for soluble-unit-dose detergent.

EVAL™ EVOH resin: Although sales volume for food packaging applications did not increase as much as expected, business performance remained favorable, especially in Europe and the United States, with automotive applications holding steady, resulting in an increase in the overall sales volume. Profit, however, was negatively affected in part by inventory valuation differences and rising raw material and fuel prices.

## Isoprene

Sales in this segment were ¥39,944 million (up 6.4% year on year), and segment loss was ¥1,311 million (compared with segment loss of ¥4,025 million in the same period of the previous year). This result was possible thanks to the stabilization of operations at the Thai base, which was also leveraged to contribute to sales expansion.

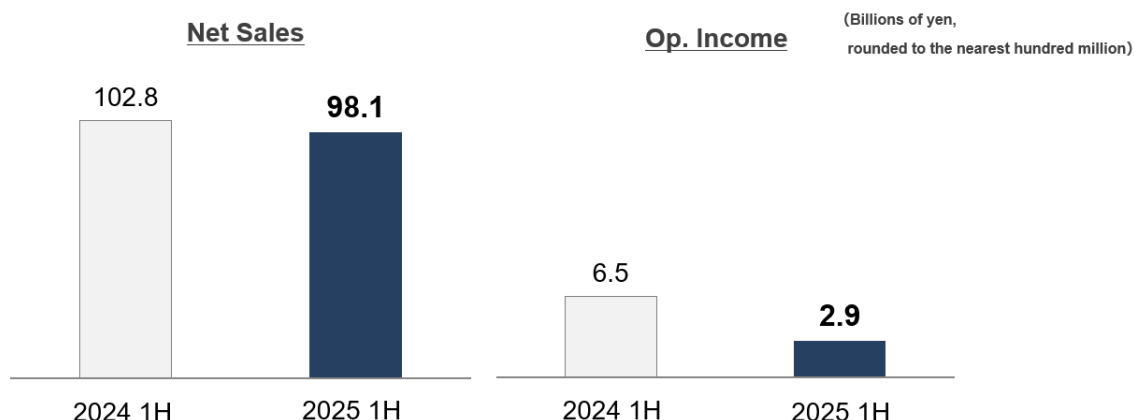


Isoprene chemicals and elastomer: Sales volume increased and sales mix improved as demand remained firm, especially in Europe and the United States.

GENESTAR™ heat-resistant polyamide resin: Sales volume increased due to a robust recovery in demand for electric and electronic applications as well as expanded sales for automotive applications.

## Functional Materials

Sales in this segment were ¥98,140 million (down 4.5% year on year), and segment income was ¥2,899 million (down 55.2% year on year). This result was attributable in part to the negative effects of a cold wave in the United States and production difficulties.



Methacrylate: Sales volume fell due to temporary production difficulties.

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

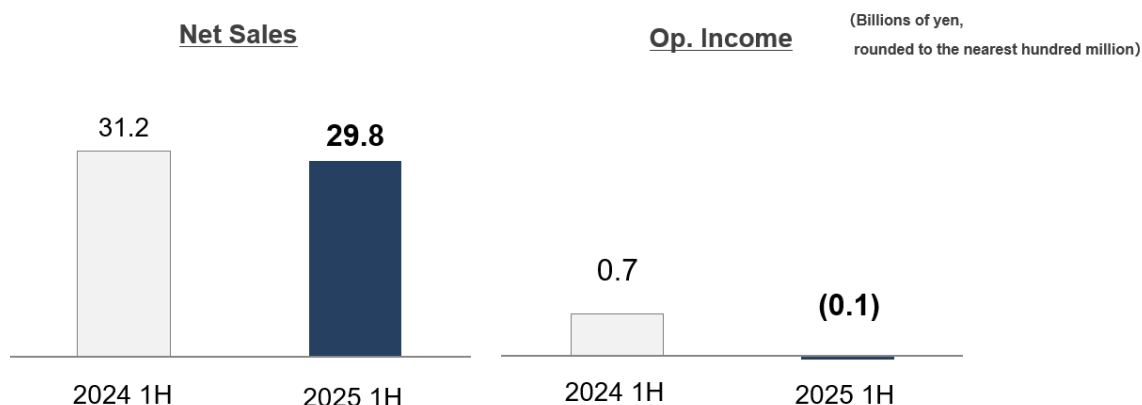
Environmental Solutions: Although demand in North America remained stable, product



deliveries were postponed to the third quarter or later due to delays in capital investment by some customers. In addition, demand for industrial activated carbon remained weak in Europe, and 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 ¥29,751 million (down 4.7% year on year), and segment loss was ¥57 million (compared with segment income of ¥721 million in the same period of the previous year). The result was impacted in part by stagnation in European economies and inventory adjustments in EVs.

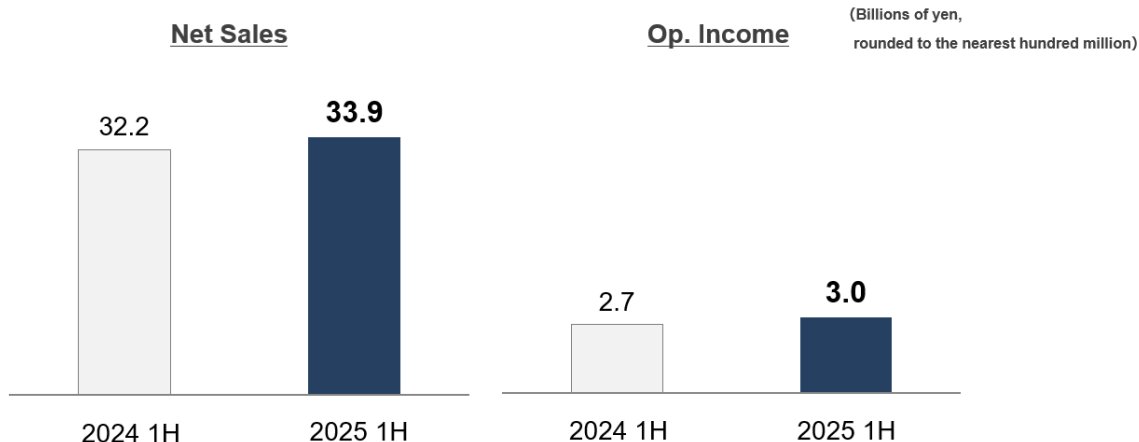


CLARINO™ man-made leather: Sales volume decreased amid a decline in demand for luxury and automotive applications due in part to the effects of inventory adjustments in EVs, stagnant demand in the European market, and slowing growth in the Chinese economy.

Fibers and industrial materials: Sales in Europe for construction material applications remained weak. There were also negative effects from inventory valuation differences.

## Trading

Sales in this segment were ¥33,908 million (up 5.2% year on year), and segment income was ¥3,042 million (up 11.1% year on year).

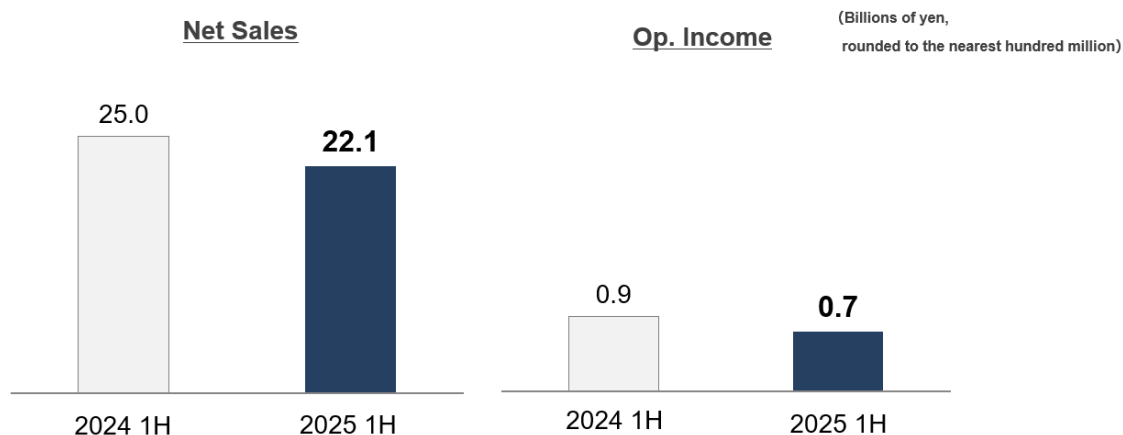


Fiber-related businesses: Sales of sportswear and outdoor clothing applications remained favorable. In addition, we promoted sales expansion of high value-added products, such as highly functional fibers and environmentally friendly products.

Resins and chemicals: Although sales expanded, especially in the Asian market, sales of imports were affected by deteriorating terms of trade.

## Others

Sales in this segment were ¥22,095 million (down 11.6% year on year), and segment income was ¥726 million (down 19.8% year on year).



## (2) Overview of Financial Position

Total assets decreased ¥34,277 million from the end of the previous fiscal year to ¥1,256,961 million due to factors that include a ¥15,854 million decrease in property, plant and equipment, a ¥5,464 million decrease in notes and accounts receivable-trade, and a ¥5,218 million decrease in cash and deposits. Total liabilities increased ¥875 million to ¥510,323 million due to factors that include a ¥21,355 million increase in interest-bearing debt despite a ¥8,164 million decrease in notes and accounts payable-trade.

Net assets fell ¥35,152 million to ¥746,637 million due in part to a ¥30,013 million decrease in foreign currency translation adjustment despite a ¥5,294 million increase in retained earnings. Equity attributable to owners of the parent amounted to ¥729,894 million, for an equity ratio of 58.1%.

## (3) Basis for Forecasts, Including Consolidated Financial Results Forecasts

Based on the interim business results, current business trends, and increasingly uncertain economic environment, we revised the full-year forecast for fiscal 2025 (January 1, 2025 to December 31, 2025), which was announced on February 12, 2025.

The revised consolidated operating results forecast for the fiscal year ending December 31, 2025 (January 1, 2025 to December 31, 2025) is as follows.

|                         | (Millions of yen) |                  |                 |   | (Yen)                |
|-------------------------|-------------------|------------------|-----------------|---|----------------------|
|                         | Net Sales         | Operating Income | Ordinary Income | Net Income Attributable to Owners of the Parent | Net Income Per Share |
| Previous Forecast (A)   | 860,000           | 90,000           | 85,000          | 45,000  | 138.95               |
| Revised Forecast (B)    | 840,000           | 75,000           | 69,000          | 33,000  | 103.33               |
| Amount Adjusted (B – A) | (20,000)          | (15,000)         | (16,000)        | (12,000)  |                      |
| Percent Adjusted        | (2.3)             | (16.7)           | (18.8)          | (26.7)  |                      |
| (Ref.) FY2024 Results   | 826,895           | 85,081           | 81,480          | 31,724  | 96.33                |

The forecast is based on the following assumptions: average exchange rates of ¥149/USD and ¥166/EUR, domestic naphtha at ¥68,000/kl, US natural gas at \$3.55/MMBtu, and European natural gas at €38/MWh.

Note: The above forecasts are based on the information available as of the day of this announcement. Actual financial results may vary materially due to various factors.

## 2. Interim Consolidated Financial Statements and Notes

### (1) Interim Consolidated Balance Sheets

|  | (Millions of yen) |               |
|--|-------------------|---------------|
|  | December 31, 2024 | June 30, 2025 |
| <b>ASSETS</b>  |                   |               |
| Current Assets   |                   |               |
| Cash and deposits  | 118,068           | 112,850       |
| Notes and accounts receivable-trade, and contract assets | 166,589           | 161,124       |
| Securities   | 3,624             | 2,154         |
| Merchandise and finished goods                           | 170,489           | 169,761       |
| Work in process  | 19,974            | 20,542        |
| Raw materials and supplies                               | 66,365            | 64,923        |
| Other  | 21,109            | 28,863        |
| Allowance for doubtful accounts                          | (959)             | (856)         |
| Total current assets                                     | 565,262           | 559,363       |
| Non-current Assets                                       |                   |               |
| Property, plant and equipment                            |                   |               |
| Buildings and structures, net                            | 118,633           | 115,460       |
| Machinery, equipment and vehicles, net                   | 292,153           | 271,356       |
| Land   | 19,016            | 16,753        |
| Construction in progress                                 | 59,824            | 71,341        |
| Other, net   | 50,757            | 49,618        |
| Total property, plant, and equipment                     | 540,385           | 524,530       |
| Intangible assets  |                   |               |
| Goodwill   | 53,591            | 50,922        |
| Customer-related assets                                  | 27,720            | 23,745        |
| Other  | 34,586            | 32,651        |
| Total intangible assets                                  | 115,898           | 107,320       |
| Investments and other assets                             |                   |               |
| Investment securities                                    | 29,890            | 26,487        |
| Retirement benefit asset                                 | 4,020             | 4,111         |
| Deferred tax assets                                      | 21,485            | 21,073        |
| Other  | 14,388            | 14,163        |
| Allowance for doubtful accounts                          | (93)              | (90)          |
| Total investments and other assets                       | 69,692            | 65,746        |
| Total non-current assets                                 | 725,975           | 697,597       |
| Total Assets   | 1,291,238         | 1,256,961     |

(Millions of yen)

|   | December 31, 2024 | June 30, 2025 |
|---|-------------------|---------------|
| <b>LIABILITIES</b>                                    |                   |               |
| Current Liabilities                                   |                   |               |
| Notes and accounts payable-trade                      | 59,561            | 51,397        |
| Short-term borrowings                                 | 23,850            | 43,870        |
| Commercial paper                                      | —                 | 27,000        |
| Current portion of bonds payable                      | 10,000            | —             |
| Current portion of long-term borrowings               | 18,146            | 31,800        |
| Accrued expenses                                      | 20,394            | 21,160        |
| Income taxes payable                                  | 10,094            | 7,596         |
| Provision for bonuses                                 | 10,772            | 7,468         |
| Other   | 45,413            | 38,779        |
| Total current liabilities                             | 198,231           | 229,072       |
| Non-current Liabilities                               |                   |               |
| Bonds payable   | 50,000            | 50,000        |
| Long-term borrowings                                  | 142,286           | 112,968       |
| Deferred tax liabilities                              | 24,385            | 23,466        |
| Retirement benefit liability                          | 31,417            | 32,209        |
| Other   | 63,127            | 62,606        |
| Total non-current liabilities                         | 311,216           | 281,250       |
| Total Liabilities                                     | 509,448           | 510,323       |
| <b>NET ASSETS</b>                                     |                   |               |
| Shareholders' Equity                                  |                   |               |
| Share capital   | 88,955            | 88,955        |
| Capital surplus                                       | 87,124            | 87,157        |
| Retained earnings                                     | 396,752           | 402,046       |
| Treasury stock  | (1,462)           | (9,591)       |
| Total shareholders' equity                            | 571,369           | 568,568       |
| Accumulated Other Comprehensive Income                |                   |               |
| Valuation difference on available-for-sale securities | 8,684             | 7,448         |
| Deferred gain or losses on hedges                     | 127               | (82)          |
| Foreign currency translation adjustment               | 183,693           | 153,679       |
| Remeasurements of defined benefit plans               | 136               | 280           |
| Total accumulated other comprehensive income          | 192,642           | 161,325       |
| Subscription rights to shares                         | 270               | 229           |
| Non-controlling Interests                             | 17,507            | 16,512        |
| Total Net Assets                                      | 781,790           | 746,637       |
| Total Liabilities and Net Assets                      | 1,291,238         | 1,256,961     |

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

### Interim Consolidated Statements of Income

(Millions of yen)

|   | Fiscal 2024 1H<br>(January 1, 2024 –<br>June 30, 2024) | Fiscal 2025 1H<br>(January 1, 2025 –<br>June 30, 2025) |
|---|--|--|
| Net sales   | 411,217  | 399,958  |
| Cost of sales   | 277,798  | 282,194  |
| Gross profit  | 133,419  | 117,764  |
| Selling, general and administrative expenses                  |  |  |
| Selling expenses  | 22,670   | 23,596   |
| General and administrative expenses                           | 65,284   | 67,906   |
| Total selling, general and administrative expenses            | 87,955   | 91,502   |
| Operating income  | 45,464   | 26,261   |
| Non-operating income  |  |  |
| Interest income   | 1,828  | 1,054  |
| Dividend income   | 352  | 436  |
| Share of profit of entities accounted for using equity method | 155  | 148  |
| Other   | 1,487  | 520  |
| Total non-operating income                                    | 3,823  | 2,160  |
| Non-operating expenses  |  |  |
| Interest expenses   | 1,415  | 1,307  |
| Other   | 3,850  | 5,830  |
| Total non-operating expenses                                  | 5,265  | 7,137  |
| Ordinary income   | 44,022   | 21,284   |
| Extraordinary income  |  |  |
| Gain on sale of investment securities                         | 1,515  | 1,590  |
| Total extraordinary income                                    | 1,515  | 1,590  |
| Extraordinary losses  |  |  |
| Loss on sale of tangible non-current assets                   | —  | 980  |
| Loss on disposal of tangible non-current assets               | 579  | 684  |
| Loss on liquidation of business                               | 3,477  | —  |
| Total extraordinary losses                                    | 4,057  | 1,665  |
| Income before income taxes and non-controlling interests      | 41,480   | 21,210   |
| Income taxes—current  | 12,774   | 5,980  |
| Income taxes—deferred   | (1,807)  | 1,196  |
| Total income taxes  | 10,966   | 7,177  |
| Net income  | 30,514   | 14,032   |
| Net income (loss) attributable to non-controlling interests   | 67   | (6)  |
| Net income attributable to owners of the parent               | 30,446   | 14,039   |

## Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | Fiscal 2024 1H<br>(January 1, 2024 –<br>June 30, 2024) | Fiscal 2025 1H<br>(January 1, 2025 –<br>June 30, 2025) |
|--|--|--|
| Net income   | 30,514   | 14,032   |
| Other comprehensive income   |  |  |
| Valuation difference on available-for-sale securities                                | 1,000  | (1,235)  |
| Deferred gains or losses on hedges   | 31   | (288)  |
| Foreign currency translation adjustment  | 71,796   | (30,028)   |
| Remeasurements of defined benefit plans, net of tax                                  | 174  | 143  |
| Share of other comprehensive income of entities<br>accounted for using equity method | 380  | (275)  |
| Total other comprehensive income   | 73,382   | (31,685)   |
| Comprehensive income   | 103,896  | (17,652)   |
| Comprehensive income attributable to:  |  |  |
| Owners of the parent   | 103,410  | (17,277)   |
| Non-controlling interests  | 486  | (375)  |

### (3) Interim Consolidated Statements of Cash Flows

|   | (Millions of yen)                                      |  |
|---|--|--|
|   | Fiscal 2024 1H<br>(January 1, 2024 –<br>June 30, 2024) | Fiscal 2025 1H<br>(January 1, 2025 –<br>June 30, 2025) |
| <b>Net cash provided by (used in) operating activities</b>                              |  |  |
| Income before income taxes and non-controlling interests                                | 41,480   | 21,210   |
| Depreciation and amortization   | 41,824   | 41,442   |
| Loss (gain) on sale of investment securities  | (1,515)  | (1,590)  |
| Loss (gain) on sale of tangible non-current assets                                      | —  | 980  |
| Loss on disposal of tangible non-current assets   | 579  | 684  |
| Loss on liquidation of business   | 3,477  | —  |
| Decrease (increase) in notes and accounts receivable–trade                              | (5,448)  | 483  |
| Decrease (increase) in inventories  | (9,382)  | (6,861)  |
| Increase (decrease) in notes and accounts payable–trade                                 | 6,422  | (6,626)  |
| Other, net  | (11,856)   | 1,556  |
| Subtotal  | 65,581   | 51,279   |
| Income taxes (paid) refund  | (2,976)  | (10,662)   |
| Other, net  | 1,098  | 1,545  |
| Net cash provided by (used in) operating activities                                     | 63,703   | 42,162   |
| <b>Net cash provided by (used in) investing activities</b>                              |  |  |
| Purchase of tangible non-current assets and intangible non-current assets               | (33,507)   | (45,151)   |
| Proceeds from sale and redemption of investment securities                              | 2,104  | 2,541  |
| Other, net  | (4,441)  | (6,539)  |
| Net cash provided by (used in) investing activities                                     | (35,845)   | (49,149)   |
| <b>Net cash provided by (used in) financing activities</b>                              |  |  |
| Net increase (decrease) in short-term loans payable                                     | (6,231)  | 20,020   |
| Net increase (decrease) in commercial paper   | —  | 27,000   |
| Repayment of long-term loans payable  | (21,603)   | (14,439)   |
| Redemption of bonds   | —  | (10,000)   |
| Purchase of treasury stock  | (8,148)  | (8,290)  |
| Cash dividends paid   | (8,368)  | (8,744)  |
| Other, net  | (1,975)  | (2,239)  |
| Net cash provided by (used in) financing activities                                     | (46,327)   | 3,305  |
| Effect of exchange rate changes on cash and cash equivalents                            | 11,615   | (4,076)  |
| Net increase (decrease) in cash and cash equivalents                                    | (6,854)  | (7,758)  |
| 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  | 126,207  | 113,934  |



#### **(4) Notes regarding Interim Consolidated Financial Statements**

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

None

##### **Notes regarding Material Changes in Shareholders' Equity**

At the Board of Directors meeting held on May 14, 2025, the Company resolved to conduct a share buyback, setting a maximum of 22 million shares and ¥30,000 million. Due in part to this buyback, treasury stock increased ¥8,128 million during the interim period, and treasury stock stood at ¥9,591 million as of June 30, 2025.

##### **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 the interim consolidated financial statements.

## Notes regarding Segment Information, etc.

### ● Segment Information

I. Interim period of Fiscal 2024 (January 1, 2024 to June 30, 2024)

#### 1. Net sales, income and loss by reporting segment

(Millions of yen)

|                                   | Reporting Segment |          |                      |                     |         |         | Others <sup>1</sup> | Total   | Adjustment <sup>2</sup> | Consolidated Statements of Income <sup>3</sup> |
|-----------------------------------|-------------------|----------|----------------------|---------------------|---------|---------|---------------------|---------|-------------------------|--|
|                                   | Vinyl Acetate     | Isoprene | Functional Materials | Fibers and Textiles | Trading | Total   |                     |         |                         |  |
| Net sales                         |                   |          |                      |                     |         |         |                     |         |                         |  |
| Outside customers                 | 200,429           | 28,953   | 100,310              | 28,900              | 31,673  | 390,267 | 20,950              | 411,217 | —                       | 411,217  |
| Inter-segment sales and transfers | 8,410             | 8,584    | 2,453                | 2,332               | 560     | 22,342  | 4,047               | 26,390  | (26,390)                | —  |
| Total                             | 208,840           | 37,538   | 102,764              | 31,233              | 32,233  | 412,610 | 24,998              | 437,608 | (26,390)                | 411,217  |
| Segment income (loss)             | 43,905            | (4,025)  | 6,466                | 721                 | 2,737   | 49,805  | 905                 | 50,710  | (5,246)                 | 45,464   |

#### Notes:

1. The “Others” category incorporates operations not included in business segment reporting, including engineering business.
2. Adjustment is as follows: Included within segment loss of ¥5,246 million is the elimination of intersegment transactions of ¥2,975 million and corporate expenses of ¥8,222 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 interim consolidated statements of income.

#### 2. Information about impairment loss of non-current assets or goodwill, etc., by reporting segment

##### Material Losses Related to Non-current Assets

In the Functional Materials segment, impairment loss totaled ¥3,249 million. In the interim period, this loss was included in loss on liquidation of business under extraordinary losses.

## II. Interim period of Fiscal 2025 (January 1, 2025 to June 30, 2025)

### 1. Net sales, income and loss by reporting segment

(Millions of yen)

|                                   | Reporting Segment |          |                      |                     |         |         | Others <sup>1</sup> | Total   | Adjustment <sup>2</sup> | Consolidated Statements of Income <sup>3</sup> |
|-----------------------------------|-------------------|----------|----------------------|---------------------|---------|---------|---------------------|---------|-------------------------|--|
|                                   | Vinyl Acetate     | Isoprene | Functional Materials | Fibers and Textiles | Trading | Total   |                     |         |                         |  |
| Net sales Outside customers       | 193,809           | 30,494   | 95,886               | 27,607              | 33,255  | 381,053 | 18,904              | 399,958 | —                       | 399,958  |
| Inter-segment sales and transfers | 9,076             | 9,449    | 2,253                | 2,143               | 653     | 23,576  | 3,190               | 26,766  | (26,766)                | —  |
| Total                             | 202,885           | 39,944   | 98,140               | 29,751              | 33,908  | 404,629 | 22,095              | 426,724 | (26,766)                | 399,958  |
| Segment income (loss)             | 29,871            | (1,311)  | 2,899                | (57)                | 3,042   | 34,445  | 726                 | 35,171  | (8,909)                 | 26,261   |

#### Notes:

1. The “Others” category incorporates operations not included in business segment reporting, including engineering business.
2. Adjustment is as follows: Included within segment loss of ¥8,909 million is the elimination of intersegment transactions of ¥1,102 million and corporate expenses of ¥10,012 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 interim consolidated statements of income.