



**KURARAY CO., LTD.**

FY2025 Earnings Announcement

Presenters

Hitoshi Kawahara      President and Representative Director

Junichi Fujiwara      Managing Executive Officer,  
Officer Responsible for Corporate Management Planning Office

February 10, 2026

- Operating income declined due to negative impacts from inventory valuation differences and a decrease in sales volume. Net income decreased, primarily reflecting the recognition of impairment losses in the Isoprene segment.

(Billion yen)

	FY2025	FY2024	Difference	FY2025 Previous Forecast (Nov. 12, 2025)	Difference
<b>Net Sales</b>	808.4	826.9	(18.4)	810.0	(1.6)
<b>Operating Income</b>	58.9	85.1	(26.2)	60.0	(1.1)
<b>Ordinary Income</b>	51.5	81.5	(30.0)	53.0	(1.5)
<b>Net Income Attributable to Owners of the Parent</b>	7.5	31.7	(24.3)	23.0	(15.5)
<b>Reference</b>					
JPY/USD (average)	150	152		149	
JPY/EUR (average)	169	164		168	
Domestic naphtha JPY 1,000/kl	68	75		68	
US natural gas USD/MMBtu	3.6	2.4		3.5	
Europe natural gas EUR/MWh	37	34		39	

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**Kawahara:** Thank you very much for attending the Kuraray Group's earnings briefing today. I will begin the explanation of our FY2025 financial results.

This slide outlines the business environment in FY2025. Ongoing uncertainty persisted due to trade policies implemented by various countries, making the outlook difficult to predict.

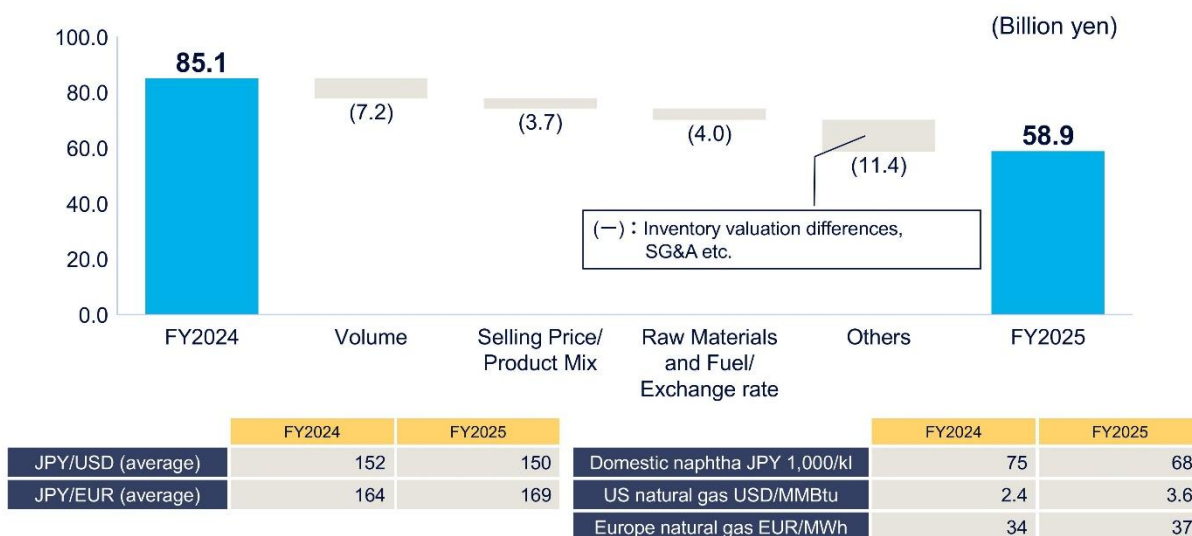
As for the Japanese economy, a moderate recovery was observed, supported by domestic demand, including inbound demand. In the US, AI-related fields performed well, while other sectors remained sluggish. In Europe, although there was a gradual expansion trend, low growth continued. In China, in addition to the prolonged downturn in the real estate market, personal consumption—previously supported by government stimulus measures—slowed, resulting in low growth.

Against this backdrop, as shown on the slide, the Group's results were as follows. Net sales decreased YoY by JPY18.4 billion to JPY808.4 billion. Due to lower sales volumes and negative impacts from inventory valuation differences, operating profit decreased YoY by JPY26.2 billion to JPY58.9 billion.

In addition, as announced today, we recorded impairment losses of JPY25.6 billion in the isoprene chemicals business and part of the elastomers business.

In the Isoprene segment, product sales expansion utilizing our Thailand base progressed, and the loss narrowed from FY2024 to FY2025. Furthermore, we are promoting higher profitability through measures such as expanding sales of high value-added products and downstream development. However, we believe that these initiatives will require some time before making a full contribution to earnings. Meanwhile, for certain products, conditions have become severe in China—one of key market for some products—due to the prolonged economic slowdown and intensifying market competition.

Based on these factors, after estimating future cash flows, we decided to reduce the book value to the recoverable amount. Compared with the FY2025 forecast announced on November 12 last year, net sales and operating profit were largely in line with our assumptions. However, due to the impact of these impairment losses and other factors, net income decreased YoY by JPY24.3 billion to JPY7.5 billion.



This slide shows a YoY summary of the factors behind changes in operating profit on a company-wide basis.

The volume factor resulted in a decrease in profit of JPY7.2 billion due to weaker-than-expected sales volumes caused by stagnation in the European economy and other factors.

In addition to the negative impacts from selling price/product mix, raw materials and fuel/exchange rate, others factors—including negative effects from inventory valuation differences and an increase in SG&A expenses—resulted in a decrease in profit of JPY11.4 billion.

As a result, overall operating profit decreased by a total of JPY26.2 billion.

**FY2025** 【Completed】

- Optimization of production capacity in methacrylate business
- Transfer of noncore businesses (Okayama Rinkoh Co., Ltd., Takarazuka Nakayamadai Newtown)

## 【Decided】

- Expansion of optical-use poval film production line
- Restructuring of polyester business
- End of production of KURARITY™ and VECSTAR™ FCCL
- Transfer of a methacrylic resin sheet manufacturing subsidiary in China and stamper business

**FY2026**

- Execution of construction work for new EVAL™ plant in Singapore
- Further growth of genestar business and dental material business
- Decision to increase reactivated carbon production capacity in Europe and the U.S.
- Focused allocation of resources to core businesses, and downsize or withdraw from noncore businesses

This slide presents the FY2025 results and the status of initiatives for FY2026 regarding the enhancement of our business portfolio as outlined in our medium-term management plan, “PASSION 2026”.

In FY2025, we proceeded with optimization of production capacity in the methacrylate business and the divestment of non-core businesses, including the logistics company Okayama Rinko, which had been operated as a joint venture, and the Nakayamadai New Town in Takarazuka, which had been held as investment in real estate. We also decided to expand production capacity for optical-use poval film facilities, which are positioned as a base business.

On the other hand, we decided to restructure the polyester-related businesses, and to discontinue production of KURARITY™ acrylic block copolymers and VECTSTAR™ FCCL copper clad laminate. We also decided to divest a methacrylic resin sheet production subsidiary in China and the stamper business, thereby accelerating initiatives involving withdrawal, downsizing, and optimization.

For FY2026, we will steadily carry out the ongoing construction of the new EVAL™ plant in Singapore. In addition, in the genestar business and the dental materials business, we aim to expand globally. For reactivated carbon, where demand growth is expected in Europe and the US, we intend to make decisions toward expanding production capacity.

**- Three Challenges -**



- Setting new targets for reducing GHG emissions by 2035
- Virtual PPA\*<sup>1</sup> signed in the U.S.
- Acquisition of SBT certification. Initiatives for post-PASSION 2026  
(Establishment of technology development issues that contribute to GHG emission reductions, and creation of new value indicators combining the Kuraray PSA \*<sup>3</sup> system and ICP \*<sup>4</sup> )

- Acquisition of Nelumbo Inc.
- Co-creation with partner companies for industrialization and social implementation of regenerative medicine

- Drive global organizational structure and business process transformation
- Build a global HR function that contributes to business growth
- Challenge for new business models through the use of digital technology and collaboration with other companies

\*1 Virtual PPA(Power Purchase Agreement): A contract in which environmental value, in the form of renewable energy certificates, is purchased without directly receiving electricity from a renewable energy company.  
 \*2 SBT (Science Based Targets): Voluntary targets set by business corporations with regards to GHG emission reductions in a manner consistent with the levels required by the Paris Agreement.  
 \*3 PSA(Portfolio Sustainability Assessment): Product-portfolio metrics established by WBCSD (World Business Council for Sustainable Development)  
 \*4 ICP(Internal Carbon Pricing): A mechanism for creating economic incentives to reduce CO2 emissions and save energy, promoting low-carbon investment and encouraging climate change response by setting an internal carbon price and using it to calculate the monetary cost of emissions.

This slide shows the progress of the three challenges set forth in “PASSION 2026”.

Regarding sustainability as an opportunity, shown in yellow, in FY2025 we set new GHG emissions reduction targets by 2035 and entered into the virtual power purchase agreement in the US.

For FY2026, in addition to obtaining SBT certification, we will advance initiatives looking ahead to the post-“PASSION 2026” phase, including defining technology development themes that contribute to GHG emissions reduction and developing a new value indicator that combines the Kuraray PSA system with an internal carbon pricing.

With respect to innovations starting from networking, shown in blue, in FY2025 we acquired Nelumbo Inc., a US-based company with surface processing technologies using inorganic chemistry. Moreover, in the regenerative medicine field, we developed SCAPOVA™ PVA microcarriers for cell culture and began sales in FY2024. To further promote initiatives in this area, we are advancing co-creation with partner companies aimed at the industrialization and social implementation of regenerative medicine. In FY2026, we intend to accelerate these initiatives and link them to the creation of new businesses.

Regarding the transformation of people and organization, shown in red, in FY2025 we launched internal projects aimed at promoting global organizational structures and business process transformation in corporate functions, as well as building global HR capabilities that support business growth. To support the Kuraray Group’s globally expanded business activities and contribute to further development, starting in FY2026 we will review the organizational structure and business processes of corporate functions, and carry out a phased transition over several years.

## Forecasts for FY2026

**kuraray**

	FY2026 Forecast	FY2025	Variance	FY2026 Previous Forecast (Feb. 12, 2025)	(Billion yen) Variance
Net Sales	850.0	808.4	41.6	900.0	(50.0)
Operating Income	70.0	58.9	11.1	110.0	(40.0)
Ordinary Income	64.0	51.5	12.5		
Net Income Attributable to Owners of the Parent	40.0	7.5	32.5	66.0	(26.0)
CAPEX(decision basis)	75.0	101.0	(26.0)		
CAPEX(acceptance basis)	119.0	106.8	12.2		
Depreciation and Amortization (incl. amortization of goodwill)	85.0	84.7	0.3		
R&D Expenses	27.0	28.4	(1.4)		
<b>Reference</b>					
JPY/USD (average)	150	150		155	
JPY/EUR (average)	175	169		160	
Domestic naphtha (JPY 1,000/Kl)	61	68		75	
US natural gas* USD/MMBtu	3.8	3.6			
Europe natural gas* EUR/MWh	37	37			

\* Assumptions for U.S. and European natural gas are announced from the 2Q FY2025 results.

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This slide shows our FY2026 earnings forecast.

The economic environment in FY2026 is expected to remain uncertain, reflecting continued uncertainty surrounding trade policies, geopolitical tensions, and the prolonged low growth of the Chinese economy.

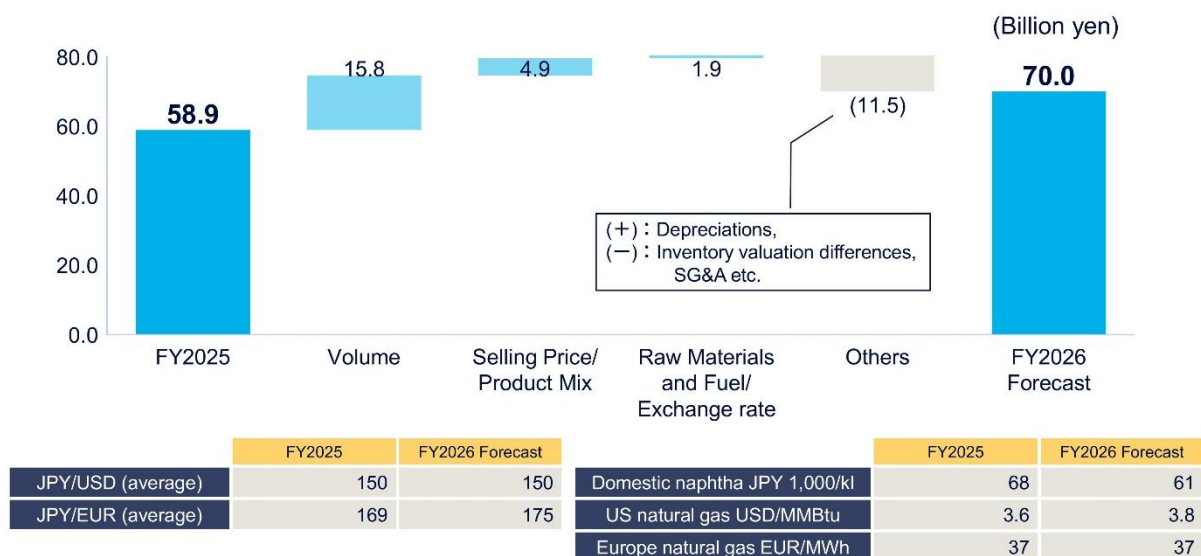
Based on these assumptions, for FY2026 we forecast net sales of JPY850 billion, an increase of JPY41.6 billion; operating profit of JPY70 billion, an increase of JPY11.1 billion; and net income of JPY40 billion, an increase of JPY32.5 billion.

While we will continue to work on enhancing our business portfolio, we believe that the recording of major losses associated with downsizing and withdrawals largely concluded in FY2025.

Capital expenditure on a decision basis is expected to be JPY75 billion, including investments to expand production capacity for reactivated carbon. On a acceptance basis, capital expenditure is expected to be JPY119 billion. Depreciation is forecast at JPY85 billion, and R&D expenses at JPY27 billion.

## FY2026 Factors Affecting the Change in Operating Income

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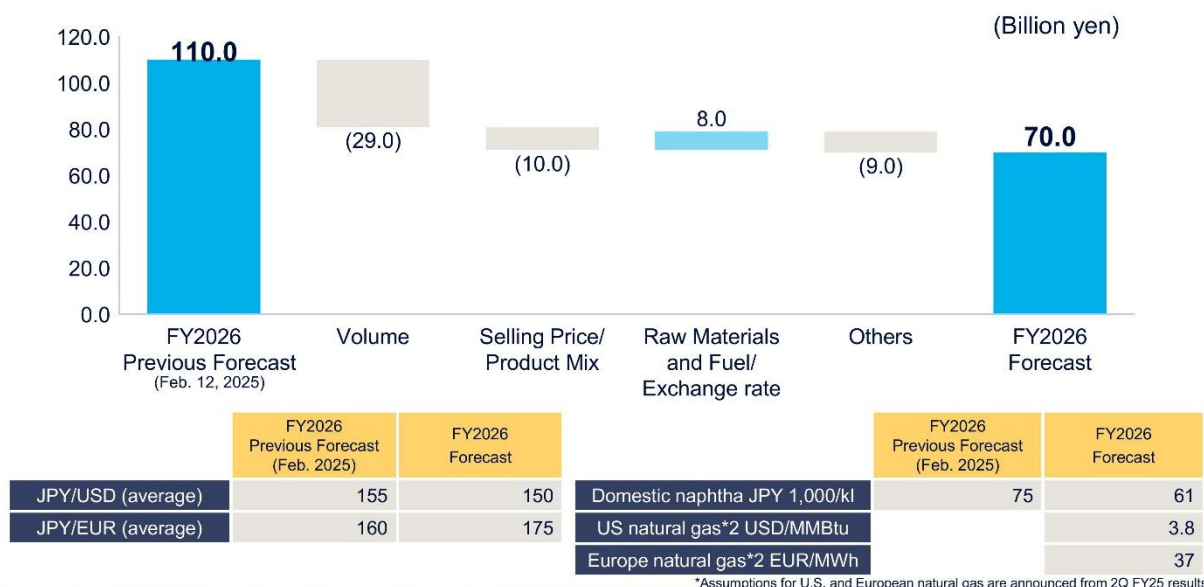
This slide shows the factors behind changes in the operating profit forecast for FY2026 compared with the FY2025 result.

In FY2026, mainly due to increased sales volumes driven by growth businesses and a recovery in demand, we expect an increase of JPY15.8 billion in the volume factor.

Skipping ahead to the far right, under “others,” we expect a decrease of JPY11.5 billion, reflecting negative impacts from inventory valuation differences resulting from production adjustments, as well as an increase in SG&A expenses.

Taking all these factors together, we are forecasting an overall increase in operating profit of JPY11.1 billion.

## FY2026 Factors Affecting the Change in Operating Income (vs. Previous Forecast) kuraray



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This slide shows the factors behind the difference between the FY2026 operating profit forecast and the previous forecast for the final year of “PASSION 2026” which was announced in February last year.

The largest negative impact comes from volume, with a decrease in profit of JPY29 billion. This reflects weaker-than-expected sales volumes due to stagnation in the European economy, intensifying competition with products from Asian competitors which have flowed mainly into the European market as a result of US tariff policies, as well as the impact of production cuts implemented for inventory adjustments.

In terms of selling price/product mix, competition has intensified in parts of the advanced interlayer solutions business, the isoprene chemicals business, and parts of the elastomers business, and we expect a decrease in profit of JPY10 billion. In raw materials and fuel/exchange rate, we expect an increase in profit of JPY8 billion, mainly due to the decline in naphtha prices. In others factors, we expect a decrease in profit of JPY9 billion, primarily due to negative impacts from inventory valuation differences.

As a result, we expect an overall decrease in profit of JPY40 billion.

As shown on slide 23, we expect a decrease in profit of JPY26 billion in the Vinyl Acetate segment and a decrease in profit of JPY10.5 billion in the Functional Materials segment, which includes the activated carbon business.

With respect to the activated carbon business, while industrial applications are currently being negatively impacted by US tariff policies, demand for drinking water applications in the US is steadily expanding. There has been no change in the medium- to long-term growth story, particularly for applications related to the removal of PFAS. As the world’s largest activated carbon manufacturer, we will work to steadily capture this growing demand.

		FY2024	FY2025	FY2026 Forecast	FY2026 Previous Forecast (Feb. 12, 2025)
 <p>Financial KPIs</p>	ROIC	7.3%	5.1%	6%	9%
	EBITDA*	¥ 170.3 billion	¥ 143.6 billion	¥ 155.0 billion	¥ 186.0 billion
	ROE	4.3%	1.0%	5%	9%
	EBITDA Margin (reference)	20.6%	17.8%	18%	21%

\*Operating income + depreciation and amortization

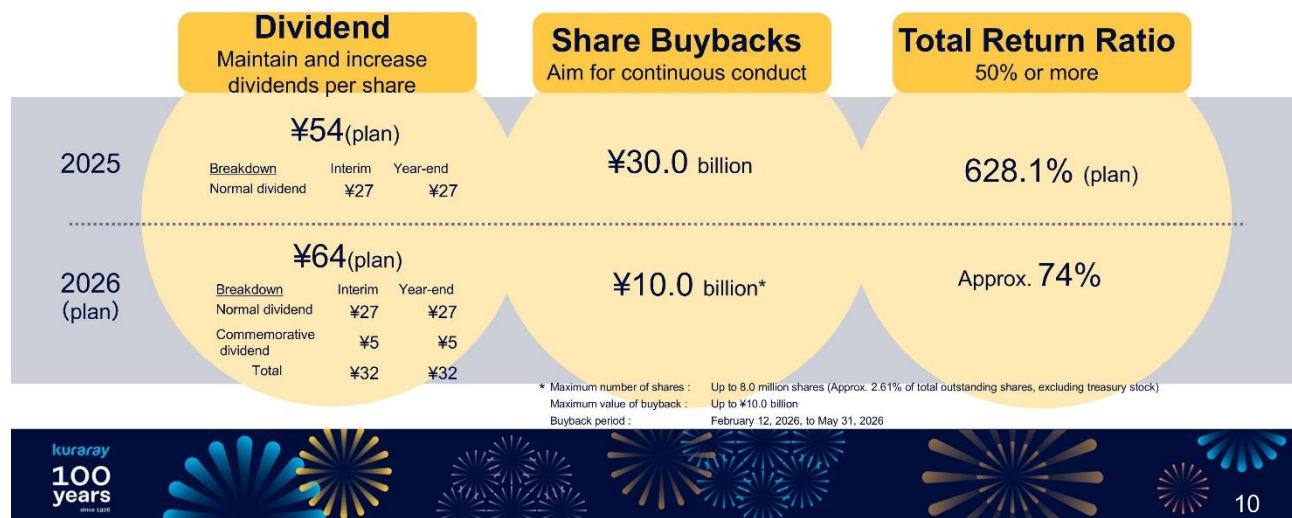
This slide shows the FY2025 results and the FY2026 forecast for the financial KPIs set forth in our medium-term management plan, “PASSION 2026”.

Due to the decline in profits and the impact of recording impairment losses, ROIC was 5.1%, EBITDA was JPY143.6 billion, and ROE was 1.0%.

For FY2026, we are forecasting ROIC of 6%, EBITDA of JPY155 billion, and ROE of 5%.

## Shareholder Return

- Plans to pay a commemorative dividend of ¥10 per year to celebrate the Kuraray's 100th anniversary
- Decided to conduct ¥10.0 billion buyback



We position the distribution and return of profits to shareholders as an important management issue. Our shareholder return policy targets a total return ratio of 50% or more of net income attributable to owners of the parent, the maintenance and increase of dividends per share, and the continuous conduct of share buybacks.

Under this policy, the annual dividend per share for FY2025 is planned to be JPY54. In addition, in FY2025 we conducted share buybacks totaling JPY30 billion. As a result of the significant decline in net income due to impairment losses, the total return ratio for FY2025 is expected to be 628.1%.

Our company will celebrate its 100th anniversary on June 24, 2026. I would like to express my sincere gratitude to our shareholders and all stakeholders who have supported us in the past and continue to support us today. To commemorate this milestone, we plan to pay a commemorative dividend of JPY10 per share. Including this, the annual dividend is expected to be JPY64.

Furthermore, we have decided and announced a share buybacks program for this fiscal year of up to JPY10 billion, or up to eight million shares. All shares acquired under this program are scheduled to be canceled. Details regarding the number of shares to be canceled and the timing of the cancellation will be announced once determined.

We will continue to enhance shareholder returns in line with our existing policy.

## Net Sales and Operating Income by Segment

*kuraray*

(Billion yen)

	FY2025		FY2024		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	404.5	62.5	414.9	87.6	(10.4)	(25.1)
Isoprene	80.4	(4.9)	76.4	(9.5)	4.0	4.6
Functional Materials	206.9	10.8	208.0	12.9	(1.0)	(2.1)
Fibers & Textiles	60.7	2.6	62.7	1.2	(1.9)	1.4
Trading	68.8	6.0	67.6	5.9	1.1	0.1
Others	40.8	1.8	50.9	2.3	(10.1)	(0.5)
Elimination & Corporate	(53.7)	(20.1)	(53.5)	(15.4)	(0.2)	(4.7)
<b>Total</b>	<b>808.4</b>	<b>58.9</b>	<b>826.9</b>	<b>85.1</b>	<b>(18.4)</b>	<b>(26.2)</b>

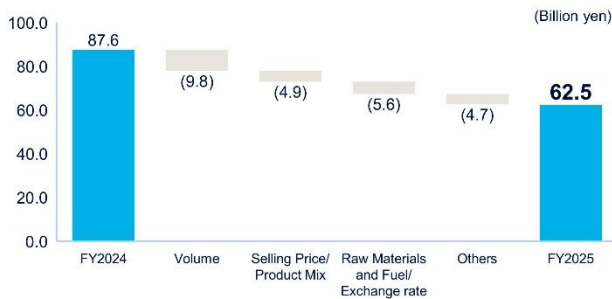
**Fujiwara:** I will explain the details of the financial results.

This slide shows net sales and operating profit by segment compared with the previous fiscal year. While the loss in the Isoprene segment narrowed and Fibers and Textiles segment recorded an increase in profit, the Vinyl Acetate and Functional Materials segments posted decreases in profit.

(Billion yen)

	FY2024	FY2025	Difference
Net Sales	414.9	404.5	(10.4)
Operating Income	87.6	62.5	(25.1)

**[Factors Affecting the Change in Operating Income ]**



<b>PVOH resin</b>	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 impacted by the rising raw material and fuel prices.
<b>Optical-use poval film</b>	Sales volume increased on the back of Chinese government measures to support home appliance replacement and demand for TV replacement ahead of international sports events. Inventory valuation differences had a negative impact on profit.
<b>Advanced Interlayer Solutions</b>	Although sales of SentryGlas™ 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.
<b>Water-soluble PVOH film MonoSol</b>	Sales volume increased due to higher demand for soluble-unit-dose detergent.
<b>EVAL™</b>	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.
<b>Main reason of increase/decrease</b>	Sales volume did not increase due to the European economic stagnation and other factors, and overall segment income decreased due to the negative impact of inventory valuation differences and higher raw material and fuel prices.

From here, I will explain the business conditions by segment.

First is the Vinyl Acetate segment, which recorded decreases in both net sales and operating profit YoY. Please refer to the comments on the right side of the slide for the sales conditions of each business.

Operating profit decreased by JPY25.1 billion YoY. In terms of volume, sales did not expand due to stagnation in the European economy and other factors, resulting in a decrease in profit of JPY9.8 billion. Raw materials and fuel/exchange rate had a negative impact of JPY5.6 billion due to higher raw material prices and other factors. Under others factors, we recorded a decrease in profit of JPY4.7 billion, mainly due to negative impacts from inventory valuation differences.

As a result, operating profit for the segment as a whole decreased by JPY25.1 billion.

	FY2024	FY2025	Difference
Net Sales	76.4	<b>80.4</b>	4.0
Operating Income	(9.5)	<b>(4.9)</b>	4.6

**【Factors Affecting the Change in Operating Income】**



**Isoprene Chemicals and Elastomers**  
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, elastomers 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™**  
Sales volume increased due to expanded sales for both electric and electronic applications and automotive applications.

**Main reason of increase/decrease**  
Overall segment income increased thanks to the stabilization of operations at the Thai base, which was also leveraged to contribute to sales expansion.

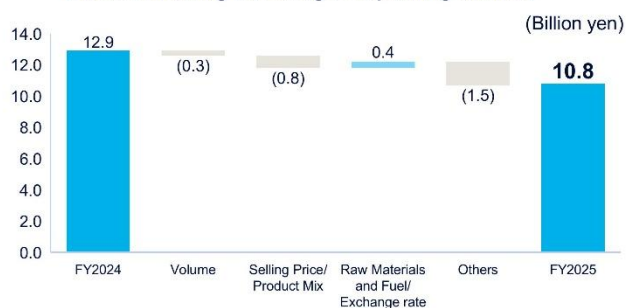
The Isoprene segment recorded an increase in net sales YoY and a narrowing of losses. Please refer to the comments on the right side of the slide for the sales conditions of each business.

In terms of volume, the stable operation of the Thailand plant and expanded sales utilizing this base led to higher sales volumes, resulting in an increase in profit of JPY1.9 billion.

Operating profit for the segment as a whole showed a narrowing of losses by JPY4.6 billion. However, as explained earlier by the president, we recorded impairment losses in this segment. The amount of impairment losses was JPY15 billion in the isoprene chemicals business and JPY10.6 billion in part of the elastomers business, totaling JPY25.6 billion.

	(Billion yen)		
	FY2024	FY2025	Difference
Net Sales	208.0	<b>206.9</b>	(1.0)
Operating Income	12.9	<b>10.8</b>	(2.1)

**【Factors Affecting the Change in Operating Income】**



<b>Methacrylate</b>	Sales volume fell due to temporary production difficulties in addition to reduced production capacity for methyl methacrylate and some downstream products from July 2025.
<b>Medical</b>	Sales of cosmetic dental materials, mainly in Europe and the U.S., remained brisk. We continued strengthening marketing aimed at expanding sales.
<b>Environmental Solutions</b>	Although the sales volume of activated carbon increased, mainly for drinking water application, a trend has emerged among some customers of revising purchasing timing due to U.S. tariff policies and an uncertain economic outlook, resulting in sales volume falling expectation. 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.
<b>Main reason of increase/decrease</b>	Overall segment income decreased due in part to the negative effects of a cold wave in the U.S. and production difficulties.

The Functional Materials segment recorded decreases in both net sales and operating profit YoY. The sales conditions of each business are as described in the comments on the right side.

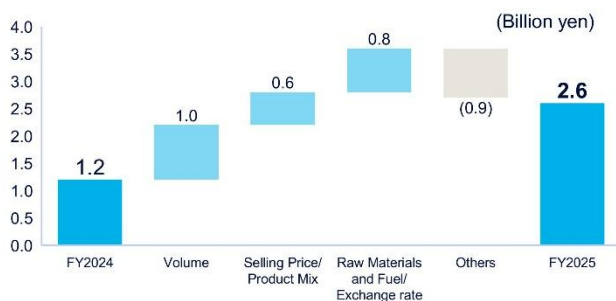
Under others factors, in the activated carbon business, there were negative impacts from a cold wave in the US and production troubles. In the medical business, while we strengthened marketing efforts to expand sales, the associated increase in expenses resulted in a decrease in profit of JPY1.5 billion.

As a result, operating profit for the segment as a whole decreased by JPY2.1 billion.

(Billion yen)

	FY2024	FY2025	Difference
Net Sales	62.7	60.7	(1.9)
Operating Income	1.2	2.6	1.4

**[Factors Affecting the Change in Operating Income ]**



**CLARINO™**  
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™.

**Main reason of increase/decrease**  
Despite impacts from the European economic slowdown and EV production adjustments, overall segment income increased due to contributions from improvements in sales composition and other factors.

While the Fibers and Textiles segment recorded a decrease in net sales, it saw operating profit increase YoY.

In selling price/product mix, price revisions for PVA fiber products and an improved sales mix driven by expanded sales of VECTRAN™ liquid crystal polymer fiber resulted in an increase in profit of JPY600 million. On the other hand, under others factors, there was a negative impact from inventory valuation differences, resulting in a decrease in profit of JPY900 million.

As a result, operating profit for the segment as a whole increased by JPY1.4 billion.

(Billion yen)

	FY2025	FY2024	Difference
Operating CF	98.6	138.3	(39.7)
Investing CF*	(98.1)	(76.0)	(22.1)
Free CF*	0.5	62.3	(61.8)
CAPEX(acceptance basis)	<u>106.8</u>	84.3	<u>22.6</u>
Depreciation and Amortization (incl. amortization of goodwill)	84.7	85.2	(0.5)
R&D Expenses	28.4	25.7	2.7

\* Cash flows from investing activities and free cash flow exclude net cash used in fund management and M&A.

I will once again provide a company-wide summary of the results. This particular slide summarizes cash flow and key data for FY2025.

Operating cash flow decreased by JPY39.7 billion YoY to JPY98.6 billion. Investing cash flow was negative JPY98.1 billion, and as a result, free cash flow was JPY500 million.

(Billion yen)

	Dec. 31, 2025	Dec. 31, 2024	Difference
<b>Current Assets</b>	<b>578.4</b>	565.3	13.1
<b>Non-current Assets</b>	<b>725.1</b>	726.0	(0.9)
<b>Total Assets</b>	<b>1,303.5</b>	1,291.2	12.3

	Dec. 31, 2025	Dec. 31, 2024
JPY/USD (end of period)	157	158
JPY/EUR (end of period)	184	165

This slide compares the asset section of the balance sheet with the end of the previous fiscal year.

Current assets increased by JPY13.1 billion, mainly due to an increase in inventories. Non-current assets decreased JPY900 million due to the impact of impairment loss recorded in the Isoprene segment while an increase of capital expenditure.

## Balance Sheet [2]: Liabilities and Net Assets

*kuraray*

(Billion yen)

	Dec. 31, 2025	Dec. 31, 2024	Difference
<b>Current Liabilities</b>	<b>228.2</b>	198.2	30.0
<b>Non-current Liabilities</b>	<b>320.1</b>	311.2	8.9
<b>Total Liabilities</b>	<b>548.3</b>	509.4	38.9
<b>Net Assets</b>	<b>755.2</b>	781.8	(26.6)
<b>Total Liabilities and Net Assets</b>	<b>1,303.5</b>	1,291.2	12.3
<b>Equity Ratio</b>	<b>57.0%</b>	59.2%	(2.2)%
	Dec. 31, 2025	Dec. 31, 2024	
JPY/USD (end of period)	157	158	
JPY/EUR (end of period)	184	165	

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This slide shows the liabilities and net assets sections of the balance sheet.

Liabilities increased by JPY38.9 billion, mainly due to increases in borrowings and commercial paper. Net assets decreased by JPY26.6 billion overall due to dividend payments and the buybacks of JPY30 billion in treasury shares were carried out, while foreign currency translation adjustments increased because of the weaker yen.

As a result, the equity ratio declined by 2.2 percentage points to 57.0%.

## Net Sales and Operating Income by Segment

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(Billion yen)

	FY2026 Forecast		FY2025		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	420.0	63.0	404.5	62.5	15.5	0.5
Isoprene	93.0	3.0	80.4	(4.9)	12.6	7.9
Functional Materials	222.0	14.5	207.8	8.9	14.2	5.6
Fibers & Textiles	63.0	4.5	60.7	2.6	2.3	1.9
Trading	70.0	6.5	68.8	6.0	1.2	0.5
Others	41.0	1.0	39.9	3.7	1.1	(2.7)
Elimination & Corporate	(59.0)	(22.5)	(53.7)	(20.1)	(5.3)	(2.4)
<b>Total</b>	<b>850.0</b>	<b>70.0</b>	<b>808.4</b>	<b>58.9</b>	<b>41.6</b>	<b>11.1</b>

\*From FY2026, the segment classification of the Electronics Materials Promotion Division is changed from "Others" to "Functional Materials." Accordingly, figures presented under result for FY2025 reflect this change.

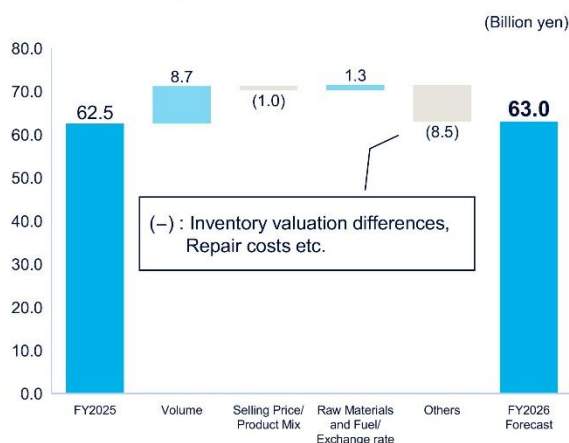
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This slide shows the FY2026 forecast for net sales and operating profit by segment compared with the FY2025 results.

Overall, we expect the major segments to record increases in both net sales and operating profit.

**Vinyl Acetate**



**Isoprene**

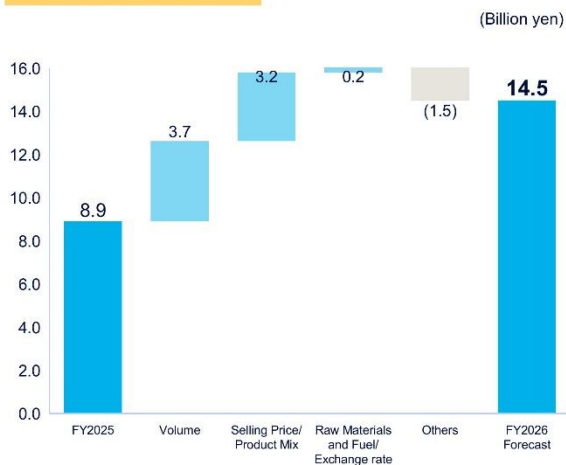


This slide presents the factors behind changes in the FY2026 operating profit forecast by segment.

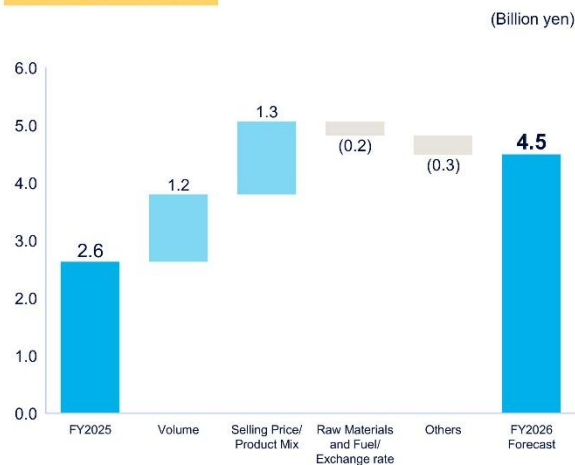
In the Vinyl Acetate segment, we expect an increase in profit of JPY8.7 billion in volume factor. On the other hand, production adjustments carried out in 4Q FY2025 resulted in negative impacts from inventory valuation differences being carried over into FY2026. As a result, we expect a decrease in profit of JPY8.5 billion in others factor, and overall operating profit for the segment is forecast to increase by only JPY500 million.

Next, on the right-hand side, the Isoprene segment. Under others factor, we expect an increase in profit of JPY3.6 billion due to lower depreciation expenses from FY2026 onward following the recording of impairment losses.

**Functional Materials**



**Fibers & Textiles**



On the left-hand side is the Functional Materials segment. We expect higher sales volumes in the activated carbon business and the medical business, resulting in an increase in profit of JPY3.7 billion under volume. In selling price/product mix, we expect an increase in profit of JPY3.2 billion, reflecting the full-year impact of price increases for activated carbon-related products announced last year in response to higher coconut shell prices, as well as an improved sales mix.

On the right-hand side is the Fibers and Textiles segment. In selling price/product mix, we expect an increase in profit of JPY1.3 billion due to the positive impact of price revisions for PVA fiber products announced last year and improvements in sales mix.

Slides 23 and onward provide detailed numerical information for your reference.

From this time, we have slightly expanded our disclosure, so I would like to provide additional explanation. Please turn to slide 30.

【Ref.】 Net Sales and Operating Income by Segment ( vs. Previous Forecast)

kuraray

(Billion yen)

	FY2026 Forecast		FY2026 Previous Forecast (As of Feb. 12, 2025)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	420.0	63.0	438.0	89.0	(18.0)	(26.0)
Isoprene	93.0	3.0	95.0	0.0	(2.0)	3.0
Functional Materials	222.0	14.5	230.0	25.0	(8.0)	(10.5)
Fibers & Textiles	63.0	4.5	70.0	7.0	(7.0)	(2.5)
Trading	70.0	6.5	75.0	7.0	(5.0)	(0.5)
Others	41.0	1.0	39.5	2.0	1.5	(1.0)
Elimination & Corporate	(59.0)	(22.5)	(47.5)	(20.0)	(11.5)	(2.5)
<b>Total</b>	<b>850.0</b>	<b>70.0</b>	<b>900.0</b>	<b>110.0</b>	<b>(50.0)</b>	<b>(40.0)</b>

\*From FY2026, the segment classification of the Electronics Materials Promotion Division is changed from "Others" to "Functional Materials." Accordingly, figures presented under previous forecast for FY2026 reflect this change.

【Ref.】 Forecast for FY2026

kuraray

(Billion yen)

	FY2026 Forecast			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net Sales	410.0	440.0	850.0	400.0	408.5	808.4	10.0	31.5	41.6
Operating Income	24.0	46.0	70.0	26.3	32.6	58.9	(2.3)	13.4	11.1
Ordinary Income	21.0	43.0	64.0	21.3	30.2	51.5	(0.3)	12.8	12.5
Net Income Attributable to Owners of the Parent	13.0	27.0	40.0	14.0	(6.6)	7.5	(1.0)	33.6	32.5

## 【Ref.】 Net Sales Forecast by Segment

kuraray

(Billion yen)

	FY2026 Forecast			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	205.0	215.0	420.0	202.9	201.6	404.5	2.1	13.4	15.5
Isoprene	44.0	49.0	93.0	39.9	40.4	80.4	4.1	8.6	12.6
Functional Materials	106.0	116.0	222.0	98.6	109.3	207.8	7.4	6.7	14.2
Fibers & Textiles	31.0	32.0	63.0	29.8	31.0	60.7	1.2	1.0	2.3
Trading	34.0	36.0	70.0	33.9	34.9	68.8	0.1	1.1	1.2
Others	17.0	24.0	41.0	21.7	18.2	39.9	(4.7)	5.8	1.1
Elimination & Corporate	(27.0)	(32.0)	(59.0)	(26.8)	(26.9)	(53.7)	(0.2)	(5.1)	(5.3)
<b>Total</b>	<b>410.0</b>	<b>440.0</b>	<b>850.0</b>	<b>400.0</b>	<b>408.5</b>	<b>808.4</b>	<b>10.0</b>	<b>31.5</b>	<b>41.6</b>

\*From FY2026, the segment classification of the Electronics Materials Promotion Division is changed from "Others" to "Functional Materials." Accordingly, figures presented under result for FY2025 reflect this change.

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## 【Ref.】 Operating Income Forecast by Segment

kuraray

(Billion yen)

	FY2026 Forecast			FY2025			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	22.0	41.0	63.0	29.9	32.7	62.5	(7.9)	8.3	0.5
Isoprene	1.5	1.5	3.0	(1.3)	(3.6)	(4.9)	2.8	5.1	7.9
Functional Materials	6.0	8.5	14.5	1.7	7.2	8.9	4.3	1.3	5.6
Fibers & Textiles	1.5	3.0	4.5	(0.1)	2.7	2.6	1.6	0.3	1.9
Trading	3.0	3.5	6.5	3.0	3.0	6.0	0.0	0.5	0.5
Others	0.0	1.0	1.0	1.9	1.8	3.7	(1.9)	(0.8)	(2.7)
Elimination & Corporate	(10.0)	(12.5)	(22.5)	(8.9)	(11.2)	(20.1)	(1.1)	(1.3)	(2.4)
<b>Total</b>	<b>24.0</b>	<b>46.0</b>	<b>70.0</b>	<b>26.3</b>	<b>32.6</b>	<b>58.9</b>	<b>(2.3)</b>	<b>13.4</b>	<b>11.1</b>

\*From FY2026, the segment classification of the Electronics Materials Promotion Division is changed from "Others" to "Functional Materials." Accordingly, figures presented under result for FY2025 reflect this change.

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【Ref.】 Quarterly Net Sales by Segments

kuraray

(Billion yen)

	FY2024					FY2025				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Vinyl Acetate	99.0	109.8	106.7	99.4	414.9	100.4	102.5	98.5	103.1	404.5
Isoprene	17.2	20.4	18.5	20.3	76.4	19.7	20.3	18.6	21.9	80.4
Functional Materials	48.7	54.0	49.6	55.7	208.0	47.6	50.5	50.4	58.4	206.9
Fibers & Textiles	13.8	17.4	15.0	16.5	62.7	13.4	16.3	14.0	17.0	60.7
Trading	15.3	16.9	16.0	19.4	67.6	16.7	17.2	15.1	19.7	68.8
Others	11.7	13.3	12.1	13.8	50.9	11.1	11.0	9.8	8.9	40.8
Elimination & Corporate	(13.6)	(12.8)	(14.2)	(12.9)	(53.5)	(14.1)	(12.7)	(12.9)	(14.0)	(53.7)
<b>Total</b>	<b>192.2</b>	<b>219.0</b>	<b>203.6</b>	<b>212.1</b>	<b>826.9</b>	<b>194.8</b>	<b>205.2</b>	<b>193.5</b>	<b>215.0</b>	<b>808.4</b>

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【Ref.】 Quarterly Operating Income by Segments

kuraray

(Billion yen)

	FY2024					FY2025				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Vinyl Acetate	24.8	19.1	26.7	17.0	87.6	15.9	14.0	18.7	14.0	62.5
Isoprene	0.0	(4.0)	(1.5)	(3.9)	(9.5)	2.8	(4.1)	(0.9)	(2.7)	(4.9)
Functional Materials	3.2	3.2	2.8	3.6	12.9	2.0	0.9	3.4	4.5	10.8
Fibers & Textiles	(0.2)	1.0	1.5	(1.0)	1.2	(0.6)	0.5	1.4	1.3	2.6
Trading	1.3	1.4	1.4	1.8	5.9	1.4	1.7	1.2	1.8	6.0
Others	0.4	0.5	1.0	0.4	2.3	0.1	0.6	0.7	0.3	1.8
Elimination & Corporate	(0.8)	(4.5)	(3.3)	(6.8)	(15.4)	(3.0)	(5.9)	(4.4)	(6.8)	(20.1)
<b>Total</b>	<b>28.8</b>	<b>16.7</b>	<b>28.5</b>	<b>11.2</b>	<b>85.1</b>	<b>18.7</b>	<b>7.6</b>	<b>20.1</b>	<b>12.5</b>	<b>58.9</b>

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(Billion yen)

	FY2025		FY2025 Previous Forecast (As of Nov. 12, 2025)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
<b>Vinyl Acetate</b>	<b>404.5</b>	<b>62.5</b>	408.0	64.0	(3.5)	(1.5)
<b>Isoprene</b>	<b>80.4</b>	<b>(4.9)</b>	81.0	(5.5)	(0.6)	0.6
<b>Functional Materials</b>	<b>206.9</b>	<b>10.8</b>	207.0	10.5	(0.1)	0.3
<b>Fibers &amp; Textiles</b>	<b>60.7</b>	<b>2.6</b>	62.0	2.0	(1.3)	0.6
<b>Trading</b>	<b>68.8</b>	<b>6.0</b>	67.0	6.0	1.8	0.0
<b>Others</b>	<b>40.8</b>	<b>1.8</b>	42.0	1.0	(1.2)	0.8
Elimination & Corporate	(53.7)	(20.1)	(57.0)	(18.0)	3.3	(2.1)
<b>Total</b>	<b>808.4</b>	<b>58.9</b>	810.0	60.0	(1.5)	(1.1)

Approximate impact on operating income

(Billion yen)  
+ : profit, ( ) : loss

	FY2025 1H				FY2025 2H				FY2025
	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Total
<b>Vinyl Acetate</b>	(2.0)	(2.0)	(3.0)	(7.0)	(0.5)	2.0	3.0	4.5	(2.5)
<b>Isoprene</b>	(2.0)	0.0	0.5	(1.5)	0.0	0.0	(1.0)	(1.0)	(2.5)
<b>Functional Materials</b>	(0.5)	(2.0)	0.0	(2.5)	0.0	0.0	0.5	0.5	(2.0)
<b>Fibers &amp; Textiles</b>	0.0	0.0	(0.5)	(0.5)	0.0	0.0	0.5	0.5	0.0
<b>Total</b>	(4.5)	(4.0)	(3.0)	(11.5)	(0.5)	2.0	3.0	4.5	(7.0)

In recent years, we have received feedback that our performance is sometimes difficult to understand due to one-off factors and fluctuations in inventory valuation differences. In response, as shown on this slide, we have decided to disclose approximate amounts of scheduled maintenance expenses, expenses related to temporary plant shutdowns, and inventory valuation differences by segment.

Scheduled maintenance expenses are disclosed as the aggregate of major items by segment. Expenses related to temporary shutdowns include, for example, plant shutdowns caused by the cold wave in the US last year. For inventory valuation differences, similar to other items, we now disclose the impact amount on a half-year basis.

After describing what occurred in FY2025 on the previous slide, we move on to slide 31 for the estimated figures for FY2026.

Approximate impact on operating income

(Billion yen)  
+ : profit, ( ) : loss

	FY2026 1H (Forecast)				FY2026 2H (Forecast)				FY2026 (Forecast)
	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Total
<b>Vinyl Acetate</b>	(4.0)	0.0	(5.0)	(9.0)	(1.5)	0.0	1.0	(0.5)	(9.5)
<b>Isoprene</b>	(2.0)	0.0	0.5	(1.5)	0.0	0.0	(0.5)	(0.5)	(2.0)
<b>Functional Materials</b>	0.0	0.0	(1.5)	(1.5)	0.0	0.0	0.5	0.5	(1.0)
<b>Fibers &amp; Textiles</b>	0.0	0.0	(0.5)	(0.5)	(0.5)	0.0	1.0	0.5	0.0
<b>Total</b>	(6.0)	0.0	(6.5)	(12.5)	(2.0)	0.0	2.0	0.0	(12.5)

Going forward, we will continue to enhance our disclosures through ongoing communication with all of you.

This concludes my presentation. Thank you very much.