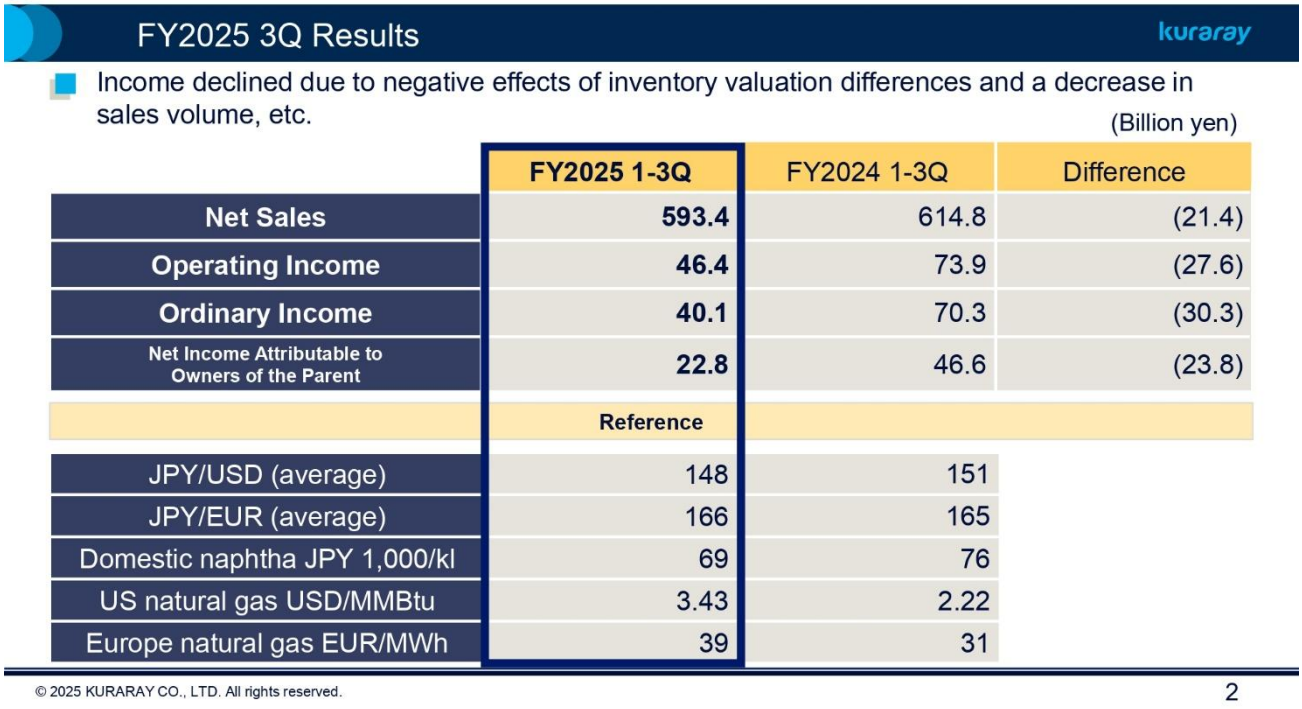
KURARAY CO., LTD.

3Q FY2025 Earnings Announcement

Presenters

Hitoshi Kawahara	President and Representative Director
Junichi Fujiwara	Managing Executive Officer, Officer Responsible for Corporate Management Planning Office

November 12, 2025



Kawahara: I am President Kawahara. Thank you very much for taking the time out of your busy schedule today to attend the Kuraray Group's earnings announcement.

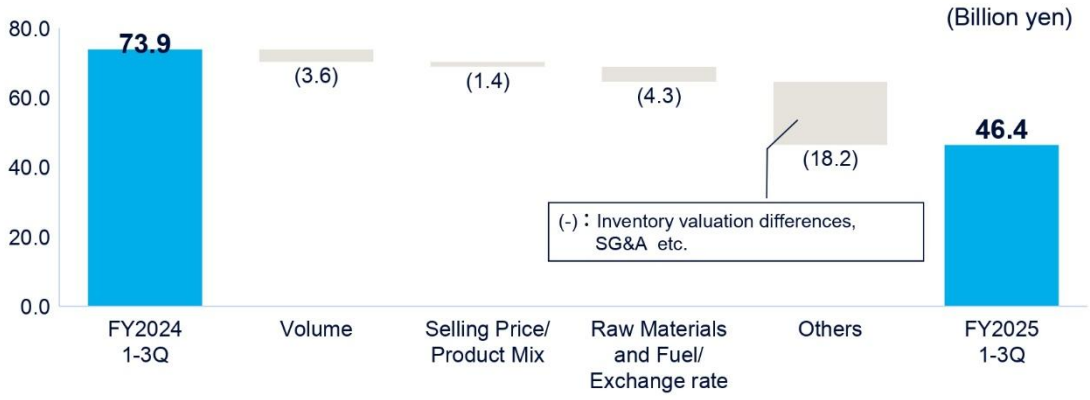
I will now begin explaining the financial results for 3QQ of FY2025.

The business environment in 3Q of FY2025 remained uncertain due to the US tariff policy and other factors. As for the Japanese economy, although domestic demand remained firm, there were signs of a slowdown due to sluggish external demand. In the US, growth slowed as consumption stagnated against a backdrop of heightened uncertainty. The European economy continued to experience low growth. In China, consumer spending, which had been supported by government stimulus measures, showed signs of slowing.

In this environment, the Company's cumulative results for 3Q of FY2025 show that net sales decreased by JPY21.4 billion from the same period of the previous year to JPY593.4 billion. Operating income was JPY46.4 billion, down JPY27.6 billion YoY, due to the negative effects of inventory valuation differences and lower sales volume. Net income decreased by JPY23.8 billion to JPY22.8 billion.

The actual results for foreign exchange, raw materials, and fuel are as shown in the slide.

FY2025 3Q Factors Affecting the Change in Operating Income



	FY2024 1-3Q	FY2025 1-3Q
JPY/USD (average)	151	148
JPY/EUR (average)	165	166

	FY2024 1-3Q	FY2025 1-3Q
Domestic naphtha JPY 1,000/kl	76	69
US natural gas USD/MMBtu	2.22	3.43
Europe natural gas EUR/MWh	31	39

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3

This slide shows a company-wide summary of factors contributing to the changes in operating income.

Raw materials, fuel, and foreign exchange factors contributed to a JPY4.3 billion decrease in income, mainly due to higher raw material prices.

Others contributing to the decrease were the negative impact of inventory valuation differences and an increase in SG&A expenses, which resulted in a JPY18.2 billion decrease in income.

Forecasts for FY2025

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Revised full-year forecasts based on performance up to the 3Q and the current business environment

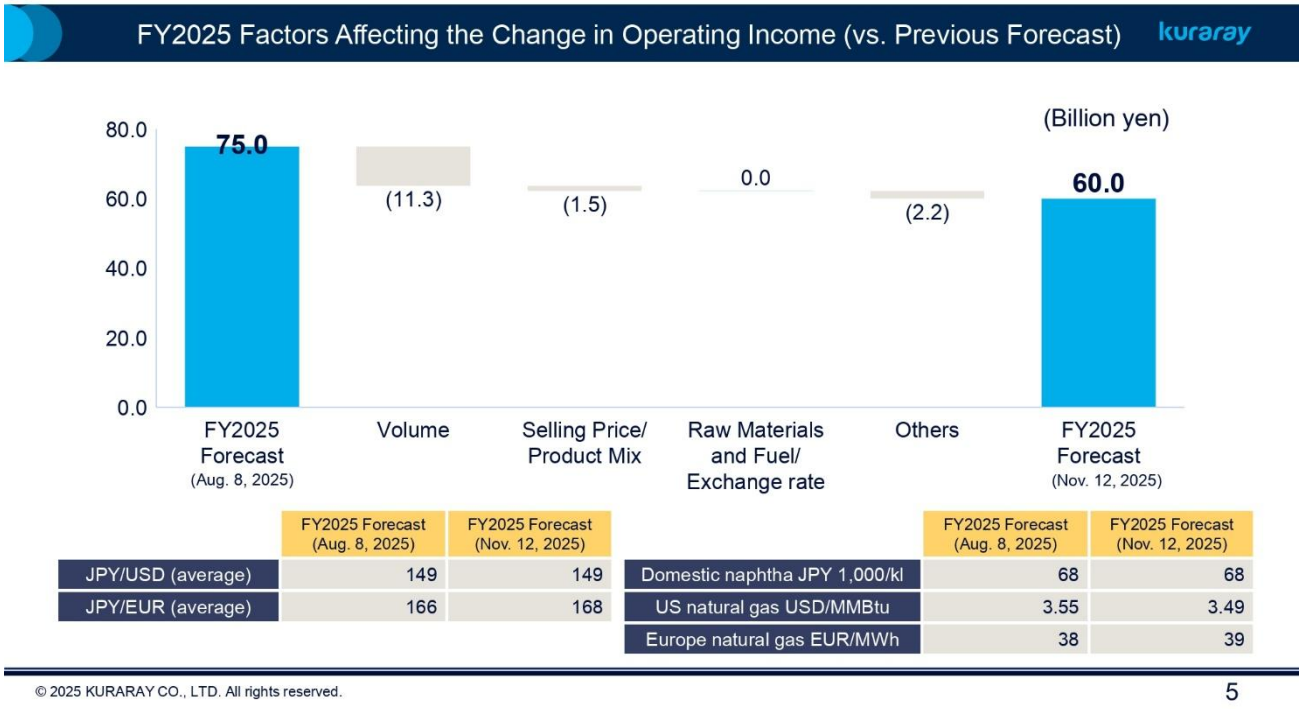
(Billion yen)

	FY2025 Forecast (Nov. 12, 2025)	FY2024	Difference	FY2025 Forecast (Aug. 8, 2025)	Difference
Net Sales	**810.0**	826.9	(16.9)	840.0	(30.0)
Operating Income	**60.0**	85.1	(25.1)	75.0	(15.0)
Ordinary Income	**53.0**	81.5	(28.5)	69.0	(16.0)
Net Income Attributable to Owners of the Parent	**23.0**	31.7	(8.7)	33.0	(10.0)
Reference					
JPY/USD (average)	**149**	152		149	
JPY/EUR (average)	**168**	164		166	
Domestic naphtha JPY 1,000/kl	**68**	75		68	
US natural gas USD/MMBtu	**3.49**	2.41		3.55	
Europe natural gas EUR/MWh	**39**	34		38	

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In light of the business results through 3Q and the current business environment, we have revised our full-year forecasts announced in August of this year: net sales of JPY810 billion, down JPY30 billion from the previous forecast; operating income of JPY60 billion, down JPY15 billion; ordinary income of JPY53 billion, down JPY16 billion; and net income of JPY23 billion, down JPY10 billion.

We have factored into our earnings forecast a deterioration in the business environment that we had not fully anticipated in August, as well as the indirect negative impact of the US tariff policy. I will explain this content on the next slide.



This slide shows the factors for the changes in operating income compared to the August forecast this year.

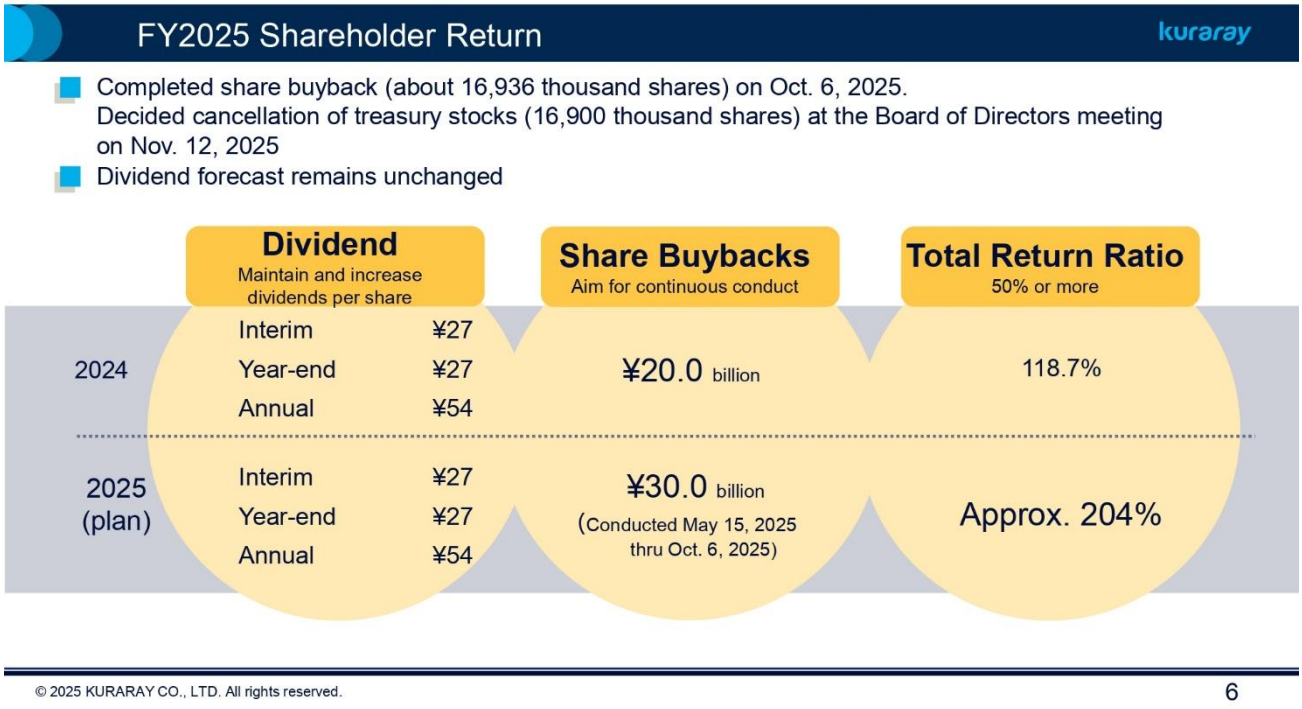
The negative impact of volume is expected to be the most significant, contributing JPY11.3 billion to the decrease in income. Sales volumes declined due to the stagnation of the European economy. Competition intensified with Asian competitors entering the European market as a result of US tariff policies. Against a backdrop of uncertainty, some customers reconsidered or postponed their purchase timing. In addition, the US market has been weakening recently, and we fully factored these factors into our forecast for a large negative impact.

In terms of selling price and product mix, medical was negatively impacted by the US tariff policy, which contributed to a JPY1.5 billion decrease in income. In others, methacrylate is expected to see a JPY2.2 billion decrease due to a delay in the start-up of facilities after maintenance due to water shortage at the Niigata Plant, and a review of inventory valuation difference and income elimination of internal transactions.

As a result, overall income is expected to decrease by JPY15 billion.

By segment, as shown later on page 21 and beyond, we expect the Vinyl Acetate segment to have a negative impact of JPY8 billion, the Functional Materials segment, including activated carbon JPY4.5 billion, and the Isoprene segment JPY2 billion, respectively.

In the activated carbon business, although industrial applications are currently declining significantly due to the negative impact of the US tariff policy, demand for drinking water applications in the US is growing, and we do not see any major change in the medium- to long-term growth story, centered on PFAS applications. We will strive to reliably capture growing demand.



The Company's shareholder return policy, which was reviewed and announced in February of this year, aims to achieve a total return ratio of at least 50% of net income attributable to shareholders of the parent company, maintain and increase dividends per share, and continue to conduct share buybacks.

Although the full-year earnings forecast has been changed, the annual dividend forecast remains unchanged, with an interim dividend of JPY27, although an interim dividend has already been paid, and a year-end dividend of JPY27; thus, the annual dividend is expected to be JPY54.

In addition, the share buybacks decided in May have already been completed by the 6th of October, amounting to approximately 16.94 million shares of treasury stock and approximately JPY30 billion. In addition, the Board of Directors decided to cancel 16.9 million shares of treasury stock at today’s meeting. This cancellation is scheduled to take place on November 28 of this year. These 16.9 million shares represent approximately 5.2% of the total number of shares outstanding before cancellation. The Company will continue to enhance shareholder returns.

Next, Mr. Fujiwara, Managing Executive Officer, will continue with a detailed explanation of the financial results.

Net Sales and Operating Income by Segment

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(Billion yen)

	FY2025 1-3Q		FY2024 1-3Q		Difference	
	Net Sales	**Operating Income**	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	**301.4**	**48.6**	315.5	70.6	(14.1)	(22.0)
Isoprene	**58.5**	**(2.2)**	56.1	(5.6)	2.4	3.4
Functional Materials	**148.5**	**6.3**	152.3	9.3	(3.8)	(3.0)
Fibers & Textiles	**43.7**	**1.3**	46.2	2.2	(2.5)	(0.9)
Trading	**49.1**	**4.2**	48.2	4.1	0.8	0.1
Others	**31.9**	**1.5**	37.1	1.9	(5.2)	(0.4)
Elimination & Corporate	**(39.7)**	**(13.3)**	(40.6)	(8.6)	0.9	(4.7)
Total	**593.4**	**46.4**	614.8	73.9	(21.4)	(27.6)

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Fujiwara: Now, I will explain segment information and other details.

This slide shows net sales and operating income results for each segment compared to the same period of the previous year. As you can see, while the Isoprene and Trading segments posted increases in both sales and income, other segments saw declines in both sales and income.

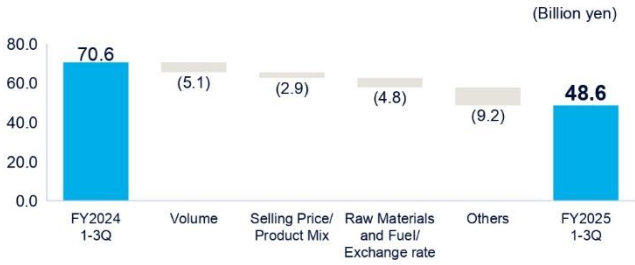
Vinyl Acetate

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(Billion yen)

	FY2024 1-3Q	**FY2025 1-3Q**	Difference
Net Sales	315.5	**301.4**	(14.1)
Operating Income	70.6	**48.6**	(22.0)

【Factors Affecting the Change in Operating Income 】



PVOH resin	Sales volume decreased due to weakened demand, especially in Europe and the United States, and due to the dissipation of the special demand that arose in the previous year to work around logistics disruptions to Europe. Profit was impacted by the negative effects of inventory valuation differences and rising raw material and fuel prices.
Optical-use poval film	Although the sales volume remained favorable on the back of Chinese government measures to support home appliance replacement, it was impacted by inventory adjustments in the supply chain entering into the third quarter. Inventory valuation differences had a negative impact on profit.
Advanced Interlayer Solutions	Although sales of SentryGlas™ 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 MonoSol	Sales volume remained flat amid weak demand for soluble-unit-dose detergent, especially in Europe.
EVAL™	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.
Main reason of increase/ Decrease	Sales volume did not increase as much as assumed 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.

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

The first one will be the Vinyl Acetate segment. Both sales and income in this segment declined compared with the previous year. See the comments at the top right of the slide for the status of sales in each business.

Operating income decreased by JPY22 billion from the same period last year. The sales volume did not increase as much as expected due to the stagnant European economy and other factors, resulting in a JPY5.1 billion decrease in income.

Regarding raw materials, fuel, and foreign exchange, the increase in raw material and fuel prices and other factors contributed to a JPY4.8 billion decrease in income. Others posted a negative JPY9.2 billion, mainly due to the negative impact of inventory valuation differences.

As a result, the segment as a whole reported a decrease in income.

Isoprene

(Billion yen)

	FY2024 1-3Q	**FY2025 1-3Q**	Difference
Net Sales	56.1	**58.5**	2.4
Operating Income	(5.6)	**(2.2)**	3.4

【Factors Affecting the Change in Operating Income 】



Isoprene Chemicals and Elastomers	While sales volume increased and the sales mix improved, isoprene chemicals experienced a period of adjustment in the third quarter due to a pull-forward in demand in the first half of the year caused by U.S. tariff policies. In addition, elastomer faced intensified competition with Asian competitors in the European market and other regions due to U.S. tariff policies.
GENESTAR™	Sales volume increased due to a recovery in demand for electric and electronic applications as well as expanded sales for 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.

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The Isoprene segment. Both sales and income in this segment increased compared to the previous year. Please see the comments on the right side of the page for the sales status of each business as well.

Volume increased by JPY2.1 billion due to the stable operation of the Thai base and the progress in sales expansion using this base.

Although operating income for the segment as a whole increased by JPY3.4 billion, as explained by Kawahara at the beginning of the presentation, isoprene chemicals and elastomers were affected by the US tariff policy. Although the business environment is becoming increasingly severe, we will continue to expand sales and make effective use of our base in Thailand.

Functional Materials

(Billion yen)

	FY2024 1-3Q	**FY2025 1-3Q**	Difference
Net Sales	152.3	**148.5**	(3.8)
Operating Income	9.3	**6.3**	(3.0)

【Factors Affecting the Change in Operating Income 】



Methacrylate	Sales volume fell due to temporary production difficulties in addition to reduced production capacity for methyl methacrylate and some downstream products from July 2025.
Medical	Sales of cosmetic dental materials, mainly in Europe and the U.S., remained brisk. We continued strengthening marketing aimed at expanding sales.
Environmental Solutions	Although the sales volume of activated carbon increased, 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 failing 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.

Main reason of increase/ Decrease	Overall segment income decreased due in part to the negative effects of a cold wave in the U.S. and production difficulties.

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This will be the Functional Materials segment.

Both sales and income declined YoY here. The status of sales in each business segment is also shown in the comments at the top right.

In terms of volume, the activated carbon business saw a YoY increase in sales volume, but some customers are reviewing the timing of their purchases due to the US tariff policy and the uncertain economic outlook.

Although sales for drinking water applications have generally been as planned, the decline in industrial use has been particularly large and did not reach the expected volume. As Kawahara explained at the beginning of this presentation, our expectation is that business conditions are worsening considerably among our customers in Europe and the US. We believe this has led to the decline in industrial applications.

On the other hand, with regard to methacrylate, we reduced the production capacity of methyl methacrylate and some downstream products in 3Q. The resulting decrease in sales volume was a factor in the JPY0.5 billion decrease in income.

In others, the activated carbon business was negatively affected by the cold wave and production difficulties in the US. In the medical business, an increase in expenses due to strengthened marketing to expand sales was a factor in the decrease in income by JPY2.9 billion.

Fibers and Textiles

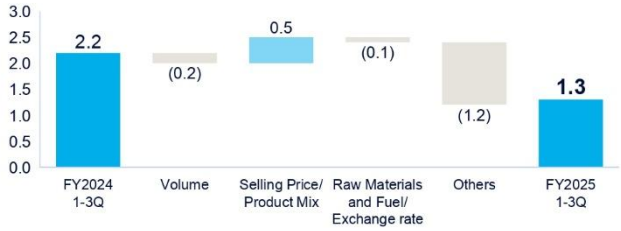
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(Billion yen)

	FY2024 1-3Q	**FY2025 1-3Q**	Difference
Net Sales	46.2	**43.7**	(2.5)
Operating Income	2.2	**1.3**	(0.9)

【Factors Affecting the Change in Operating Income 】

(Billion yen)



CLARINO™	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. There were also negative effects from inventory valuation differences.

Main reason of increase/ Decrease	Overall segment income decreased due in part to stagnation in European economies and production adjustments in EVs.

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This will be the Fibers and Textiles segment. Both sales and income were down here compared with the same period last year. The status of sales here is noted in the comments in the top right.

As for the selling price and product mix, the increase in the price of PVA fiber products was a factor of JPY0.5 billion. On the other hand, the negative impact of inventory valuation differences and other factors resulted in a negative JPY1.2 billion in others. The overall segment operating income decreased by JPY0.9 billion due to the impact of the stagnant European economy and inventory adjustments in EVs.

Balance Sheet [1]: Assets

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(Billion yen)

	Sep. 30, 2025	Dec. 31, 2024	Difference
Current Assets	**574.7**	565.3	9.4
Non-current Assets	**719.3**	726.0	(6.7)
Total Assets	**1,294.0**	1,291.2	2.7

	Sep. 30, 2025	Dec. 31, 2024
JPY/USD (end of period)	149	158
JPY/EUR (end of period)	174	165

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This slide compares the assets section of the balance sheet to the end of last year in December.

Current assets increased by JPY9.4 billion. While financial institutions decreased, inventories increased by JPY15.7 billion.

On the other hand, regarding fixed assets, during 3Q, we transferred shares in Okayama Rinkoh, a logistics company accounted for using the equity method, and sold real estate in Nakayamadai, Takarazuka City, Hyogo Prefecture. These actions, along with the impact of enhancing our business portfolio, resulted in a decrease of JPY6.7 billion.

Balance Sheet [2]: Liabilities and Net Assets

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(Billion yen)

	Sep. 30, 2025	Dec. 31, 2024	Difference
Current Liabilities	**226.2**	198.2	28.0
Non-current Liabilities	**322.9**	311.2	11.7
Total Liabilities	**549.1**	509.4	39.7
Net Assets	**744.8**	781.8	(36.9)
Total Liabilities and Net Assets	**1,294.0**	1,291.2	2.7
Equity Ratio	**56.3%**	59.2%	(2.9)%

	Sep. 30, 2025	Dec. 31, 2024
JPY/USD (end of period)	149	158
JPY/EUR (end of period)	174	165

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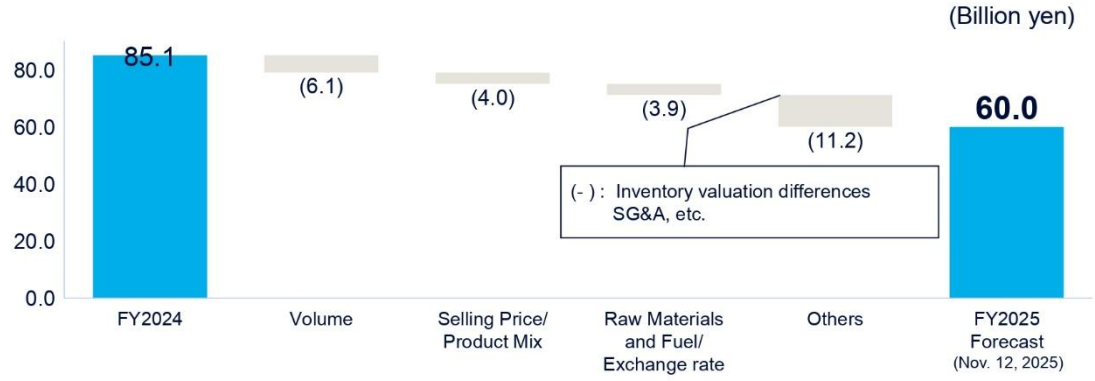
This slide shows liabilities and net assets on the balance sheet.

Liabilities increased by JPY39.7 billion in the form of borrowings and commercial paper.

On the other hand, net assets decreased by JPY36.9 billion due to the foreign currency translation adjustment, which was in a decreasing direction as a result of the share buybacks as explained earlier.

As a result, the equity ratio decreased 2.9% from the end of December to 56.3%.

FY2025 Factors Affecting the Change in Operating Income (vs. FY2024)



	FY2024	FY2025 assumption
JPY/USD (average)	152	149
JPY/EUR (average)	164	168

	FY2024	FY2025 assumption
Domestic naphtha JPY 1,000/kl	75	68
US natural gas USD/MMBtu	2.41	3.49
Europe natural gas EUR/MWh	34	39

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This slide shows the factors for the changes in the operating income forecast compared to the FY2024 actual results. In FY2025, the Vinyl Acetate-related business is expected to see a JPY6.1 billion decrease in volume, mainly due to a decrease in sales volume caused by the stagnant European economy.

On the other hand, others, including the negative impact of inventory valuation differences, are expected to reduce income by JPY11.2 billion, resulting in an overall income decrease of JPY25.1 billion.

【Ref.】 Net Sales and Operating Income by Segment

(Billion yen)

	FY2025 Forecast (Nov. 12, 2025)		FY2024		Difference		FY2025 Forecast (Aug. 8, 2025)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	**408.0**	**64.0**	414.9	87.6	(6.9)	(23.6)	420.0	72.0	(12.0)	(8.0)
Isoprene	**81.0**	**(5.5)**	76.4	(9.5)	4.6	4.0	84.0	(3.5)	(3.0)	(2.0)
Functional Materials	**207.0**	**10.5**	208.0	12.9	(1.0)	(2.4)	216.0	15.0	(9.0)	(4.5)
Fibers & Textiles	**62.0**	**2.0**	62.7	1.2	(0.7)	0.8	63.0	2.0	(1.0)	0.0
Trading	**67.0**	**6.0**	67.6	5.9	(0.6)	0.1	70.0	6.5	(3.0)	(0.5)
Others	**42.0**	**1.0**	50.9	2.3	(8.9)	(1.3)	42.5	0.0	(0.5)	1.0
Elimination & Corporate	**(57.0)**	**(18.0)**	(53.5)	(15.4)	(3.5)	(2.6)	(55.5)	(17.0)	(1.5)	(1.0)
Total	**810.0**	**60.0**	826.9	85.1	(16.9)	(25.1)	840.0	75.0	(30.0)	(15.0)

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Please refer to page 16 and beyond for a segment-by-segment comparison of the revised forecast and detailed numerical information.

This concludes our explanation of the financial results. Thank you very much.

【Ref.】 Quarterly Net Sales by Segments

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(Billion yen)

	FY2024					FY2025				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	99.0	109.8	106.7	99.4	414.9	100.4	102.5	98.5	106.6	408.0
Isoprene	17.2	20.4	18.5	20.3	76.4	19.7	20.3	18.6	22.5	81.0
Functional Materials	48.7	54.0	49.6	55.7	208.0	47.6	50.5	50.4	58.5	207.0
Fibers & Textiles	13.8	17.4	15.0	16.5	62.7	13.4	16.3	14.0	18.3	62.0
Trading	15.3	16.9	16.0	19.4	67.6	16.7	17.2	15.1	17.9	67.0
Others	11.7	13.3	12.1	13.8	50.9	11.1	11.0	9.8	10.1	42.0
Elimination & Corporate	(13.6)	(12.8)	(14.2)	(12.9)	(53.5)	(14.1)	(12.7)	(12.9)	(17.3)	(57.0)
Total	192.2	219.0	203.6	212.1	826.9	194.8	205.2	193.5	216.6	810.0

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【Ref.】 Quarterly Operating Income by Segments

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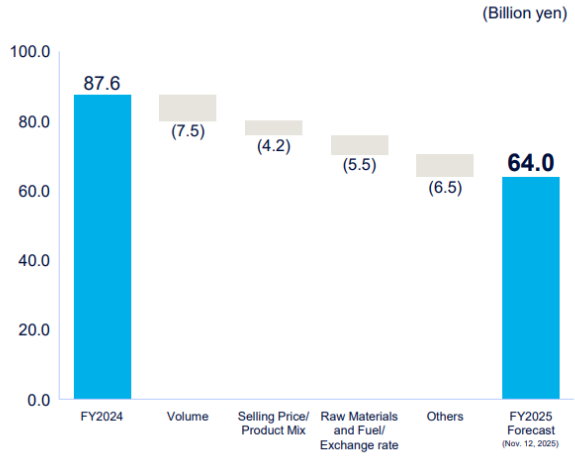
(Billion yen)

	FY2024					FY2025				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	24.8	19.1	26.7	17.0	87.6	15.9	14.0	18.7	15.4	64.0
Isoprene	0.0	(4.0)	(1.5)	(3.9)	(9.5)	2.8	(4.1)	(0.9)	(3.3)	(5.5)
Functional Materials	3.2	3.2	2.8	3.6	12.9	2.0	0.9	3.4	4.2	10.5
Fibers & Textiles	(0.2)	1.0	1.5	(1.0)	1.2	(0.6)	0.5	1.4	0.7	2.0
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	(0.5)	1.0
Elimination & Corporate	(0.8)	(4.5)	(3.3)	(6.8)	(15.4)	(3.0)	(5.9)	(4.4)	(4.7)	(18.0)
Total	28.8	16.7	28.5	11.2	85.1	18.7	7.6	20.1	13.6	60.0

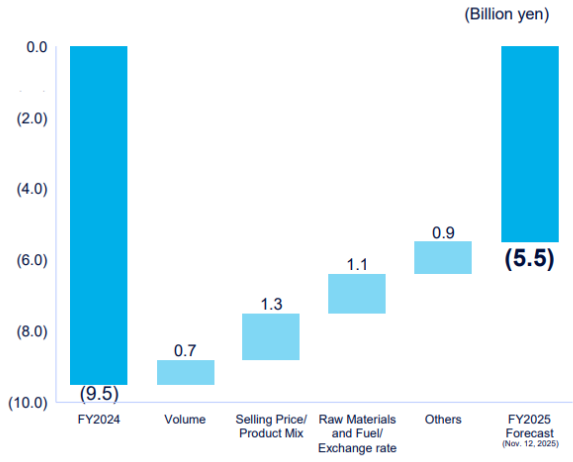
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【Ref.】 Factors Affecting the Change in Operating Income by Segment (vs. FY2024)

Vinyl Acetate



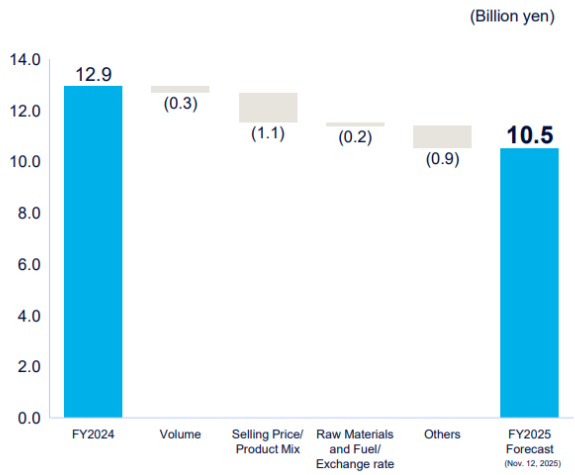
Isoprene



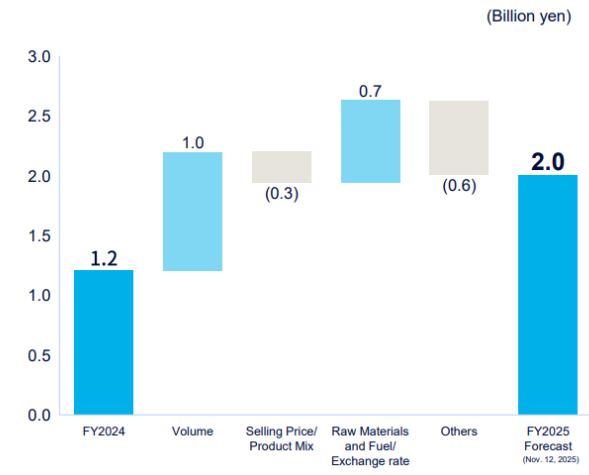
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【Ref.】 Factors Affecting the Change in Operating Income by Segment (vs. FY2024)

Functional Materials



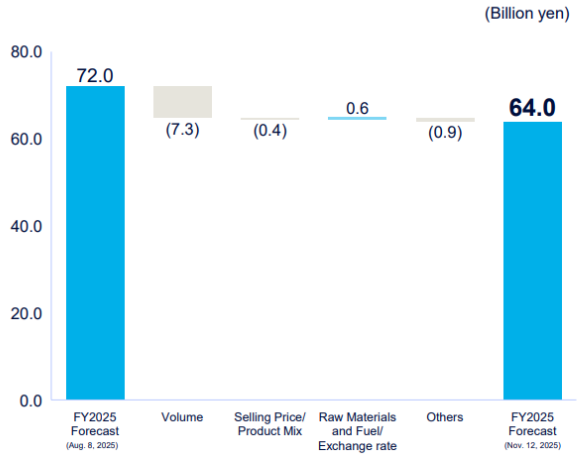
Fibers & Textiles



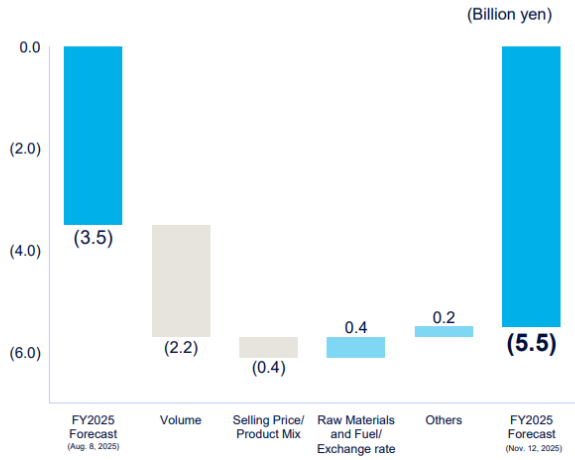
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【Ref.】 Factors Affecting the Change in Operating Income by Segment (vs. Previous Forecast)

Vinyl Acetate



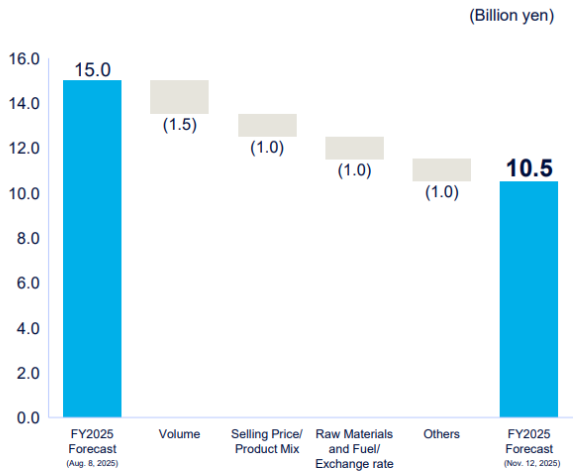
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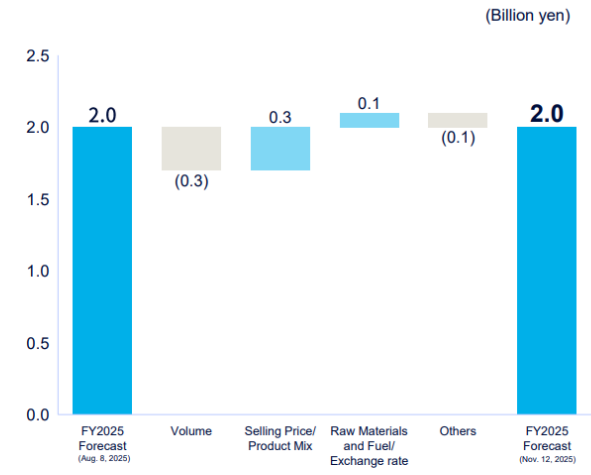
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【Ref.】 Factors Affecting the Change in Operating Income by Segment (vs. Previous Forecast)

Functional Materials



Fibers & Textiles



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