

Consolidated Financial Results
for the Nine Months
Ended September 30, 2025(Unaudited)

November 12, 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.

November 12, 2025

Consolidated Financial Results for the Nine Months Ended September 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: —
 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 nine months ended September 30, 2025 (from January 1, 2025 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2025	593,424	(3.5)	46,358	(37.3)	40,089	(43.0)	22,784	(51.1)
September 30, 2024	614,834	7.0	73,923	19.8	70,341	21.8	46,634	27.8

Note: Comprehensive income For the nine months ended September 30, 2025: ¥ 9,103 million [(82.4) %]
 For the nine months ended September 30, 2024: ¥ 51,598 million [(49.7) %]

	Net Income per Share	Fully Diluted Net Income per Share
	Yen	Yen
Nine months ended September 30, 2025	71.35	71.31
September 30, 2024	140.83	140.73

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	1,293,953	744,845	56.3
December 31, 2024	1,291,238	781,790	59.2

Reference: Equity attributable to owners of the parent

As of September 30, 2025: ¥ 728,080 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 December 31, 2024	—	27.00	—	27.00	54.00
Fiscal year ending December 31, 2025	—	27.00	—		
Fiscal year ending December 31, 2025 (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 Attributable to Owners of the Parent		Net Income per Share (Yen)
		%		%		%		%	
Full Fiscal Year	810,000	(2.0)	60,000	(29.5)	53,000	(35.0)	23,000	(27.5)	74.66

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 quarterly 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. Quarterly Consolidated Financial Statements and Notes (3) Notes regarding Quarterly 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 September 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 September 30, 2025	16,786,287 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 September 30, 2025	319,316,894 shares
As of September 30, 2024	331,146,987 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 the Revision in Forecasts, Including Consolidated Financial Results Forecasts” on page 7 of the Attachment for the assumptions used.

Index of the Attachment

1. Qualitative Information regarding Financial Results.....	2
(1) Overview of Consolidated Financial Results.....	2
(2) Overview of Financial Position	7
(3) Basis for the Revision in Forecasts, Including Consolidated Financial Results Forecasts.....	7
(4) Basic Policies Related to Profit Distribution and Dividends in Fiscal 2025.....	8
2. Quarterly Consolidated Financial Statements and Notes	9
(1) Quarterly Consolidated Balance Sheets	9
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	11
(3) Notes regarding Quarterly Consolidated Financial Statements	13
Notes regarding Going Concern Assumptions	13
Notes regarding Material Changes in Shareholders' Equity	13
Changes in Accounting Principles	13
Notes regarding Cash Flow Statements	13
Notes regarding Segment Information, etc.	14

1. Qualitative Information regarding Financial Results

(1) Overview of Consolidated Financial Results

In the cumulative third quarter of fiscal 2025 (January 1, 2025–September 30, 2025), the overall global economic outlook remained unclear due in part to U.S. tariff policies. In Japan, although domestic demand remained firm, signs of deceleration emerged due to stagnant demand overseas. In the United States, consumption stalled and economic growth slowed against a backdrop of uncertainty. In Europe, the overall economy remained on a gradual expansion track, however, growth has remained low. Meanwhile, in China, signs of weakness have appeared in personal consumption, which had been underpinned by government-led economic stimulus measures.

Amid these circumstances, consolidated operating results for the cumulative third quarter of fiscal 2025 are as follows: net sales decreased ¥21,410 million (3.5%) year on year to ¥593,424 million; operating income decreased ¥27,564 million (37.3%) year on year to ¥46,358 million; ordinary income decreased ¥30,252 million (43.0%) year on year to ¥40,089 million; and net income attributable to owners of the parent decreased ¥23,849 million (51.1%) year on year to ¥22,784 million. Inventory valuation differences, decline in sales volume, and other negative effects resulted in the decreases in profits.

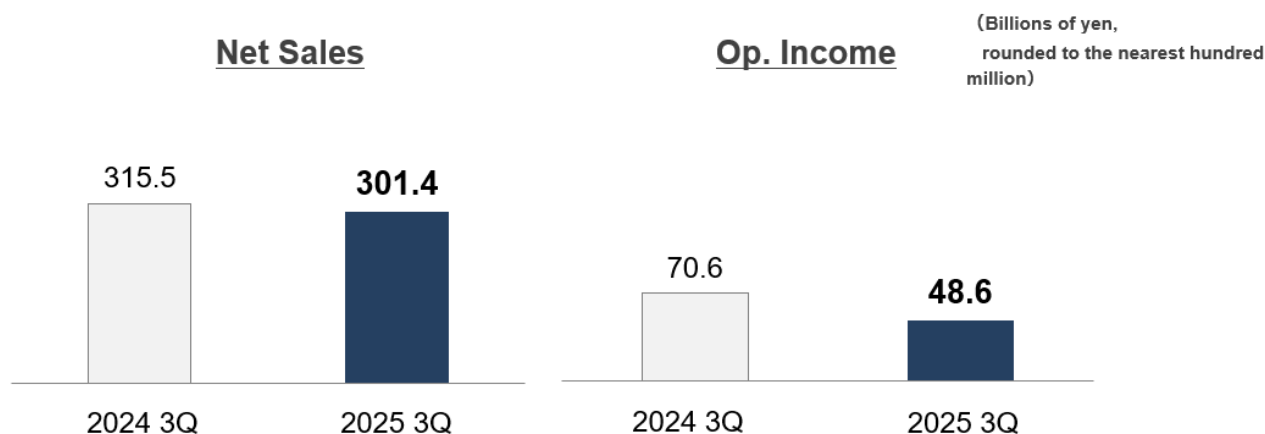
(Millions of yen)

	FY2024 3Q Consolidated Period		FY2025 3Q Consolidated Period		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Vinyl Acetate	315,504	70,594	301,394	48,560	(14,109)	(22,033)
Isoprene	56,076	(5,569)	58,501	(2,178)	2,425	3,390
Functional Materials	152,329	9,304	148,490	6,321	(3,839)	(2,982)
Fibers and Textiles	46,196	2,189	43,731	1,295	(2,465)	(894)
Trading	48,235	4,093	49,051	4,225	815	132
Others	37,073	1,905	31,907	1,463	(5,165)	(441)
Elimination & Corporate	(40,580)	(8,594)	(39,651)	(13,330)	928	(4,735)
Total	614,834	73,923	593,424	46,358	(21,410)	(27,564)

Results by Business Segment

Vinyl Acetate

Sales in this segment were ¥301,394 million (down 4.5% year on year), and segment income was ¥48,560 million (down 31.2% year on year). The sales volume did not increase as much as assumed due in part to European economic stagnation. Profit was impacted by 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. Profit was impacted by the negative effects of inventory valuation differences and rising raw material and fuel prices. In addition, manufacturing was temporarily suspended at a factory in the United States due to the malfunctioning of some production equipment and the suspension of supplies of externally purchased utility.

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.

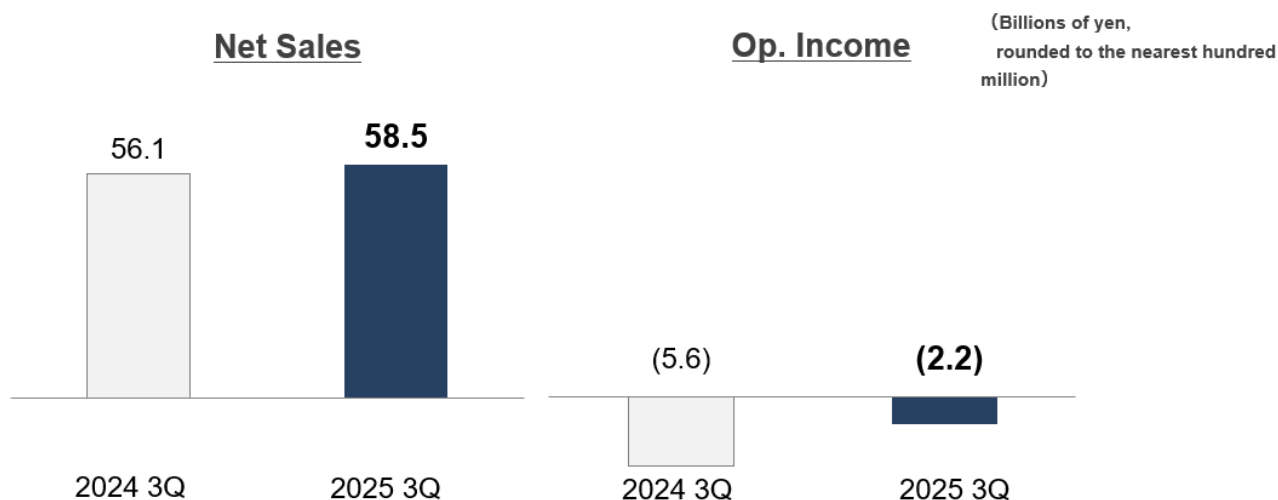
Advanced Interlayer Solutions: Although sales of SentryGlas™ specialty ionoplast interlayers remained favorable, especially in the Americas, the competitive environment for PVB film has intensified, particularly in Asia. As a result, sales volume has decreased for both construction and automotive applications.

Water-soluble PVOH film: Sales volume remained flat amid weak demand for soluble-unit-dose detergent, especially in Europe.

EVAL™ EVOH resin: 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.

Isoprene

Sales in this segment were ¥58,501 million (up 4.3% year on year), and segment loss was ¥2,178 million (compared with segment loss of ¥5,569 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.

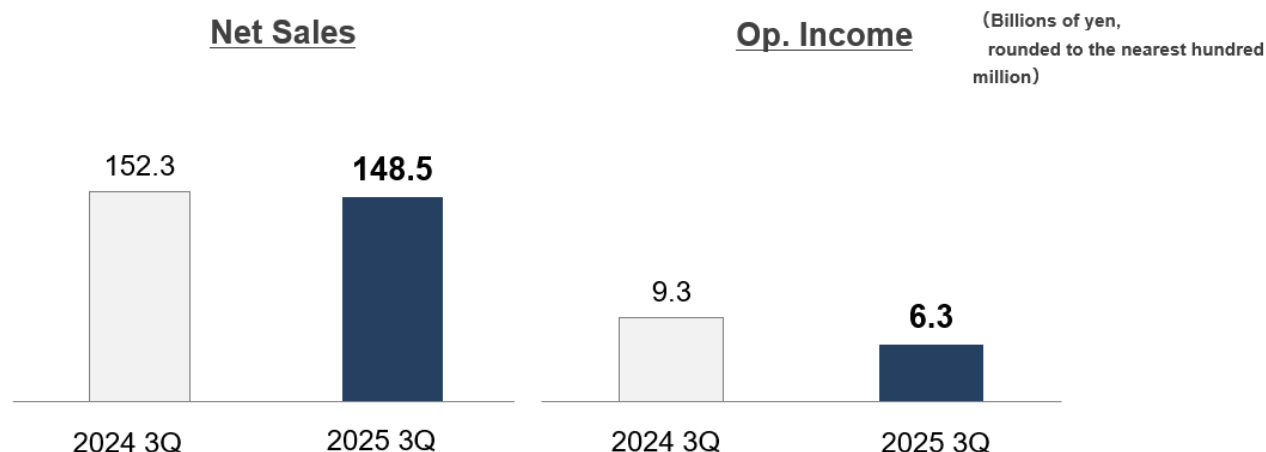


Isoprene chemicals and elastomer: While sales volume increased and the sales mix improved, isoprene chemicals experienced a period of adjustment in the third quarter due to a pull-forward in demand in the first half of the year caused by U.S. tariff policies. In addition, elastomer faced intensified competition with Asian competitors in the European market and other regions due to U.S. tariff policies.

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

Functional Materials

Sales in this segment were ¥148,490 million (down 2.5% year on year), and segment income was ¥6,321 million (down 32.1% year on year). This result was attributable in part to the negative effects of a cold wave in the United States and production difficulties.



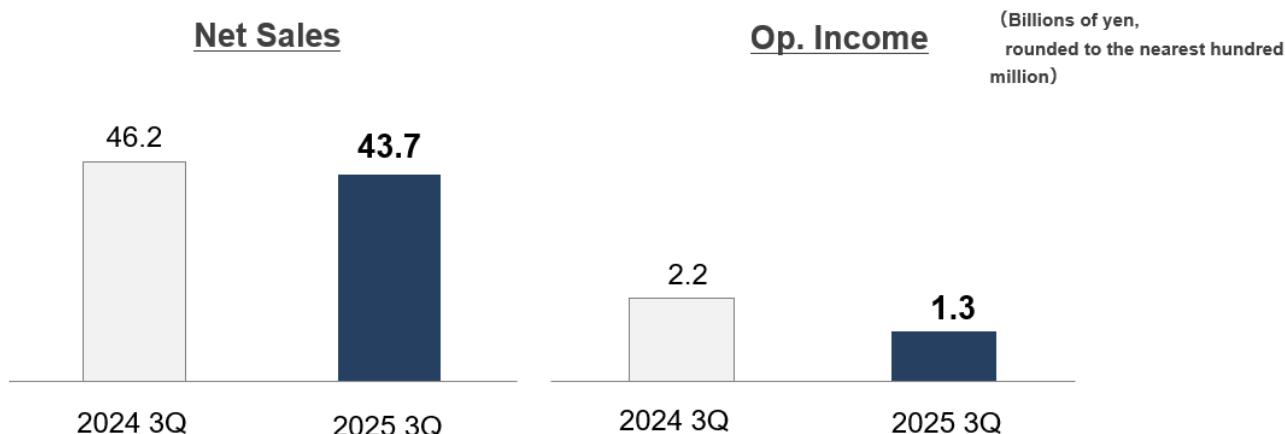
Methacrylate: Sales volume fell due to temporary production difficulties in addition to reduced production capacity for methyl methacrylate and some downstream products from July 2025.

Medical: Sales of cosmetic dental materials, mainly in Europe and the United States, remained brisk, and 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. As a result, we did not reach our assumed sales volume level. 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.

Fibers and Textiles

Sales in this segment were ¥43,731 million (down 5.3% year on year), and segment income was ¥1,295 million (down 40.8% year on year). The result was impacted in part by stagnation in European economies and production adjustments in EVs.

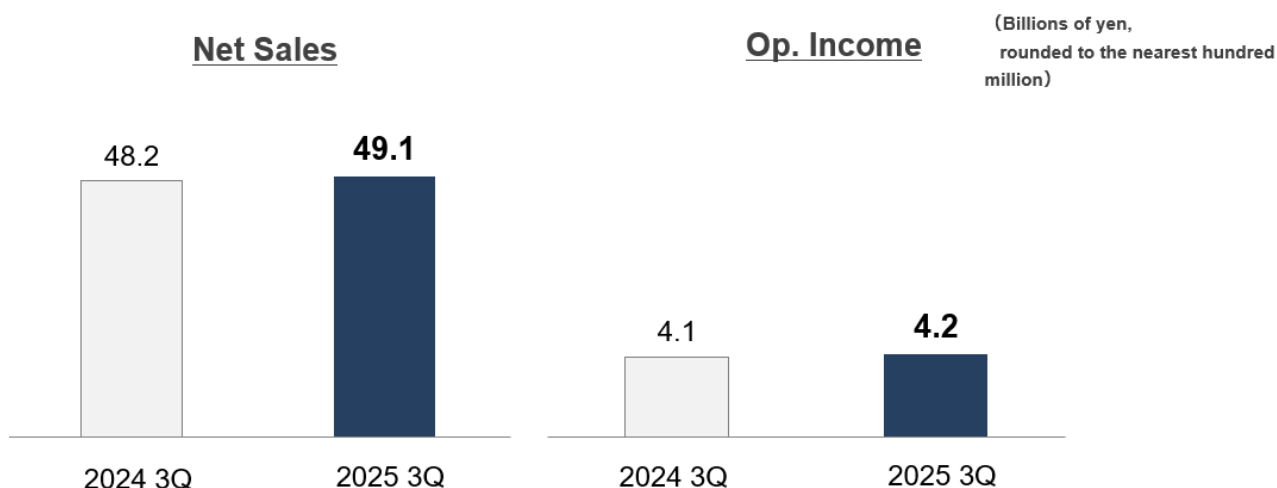


CLARINO™ man-made leather: Sales volume decreased, especially for luxury and automotive applications due in part to the effects of production adjustments in EVs, stagnant demand in the European market, and slowing growth in the Chinese economy.

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

Trading

Sales in this segment were ¥49,051 million (up 1.7% year on year), and segment income was ¥4,225 million (up 3.2% year on year).

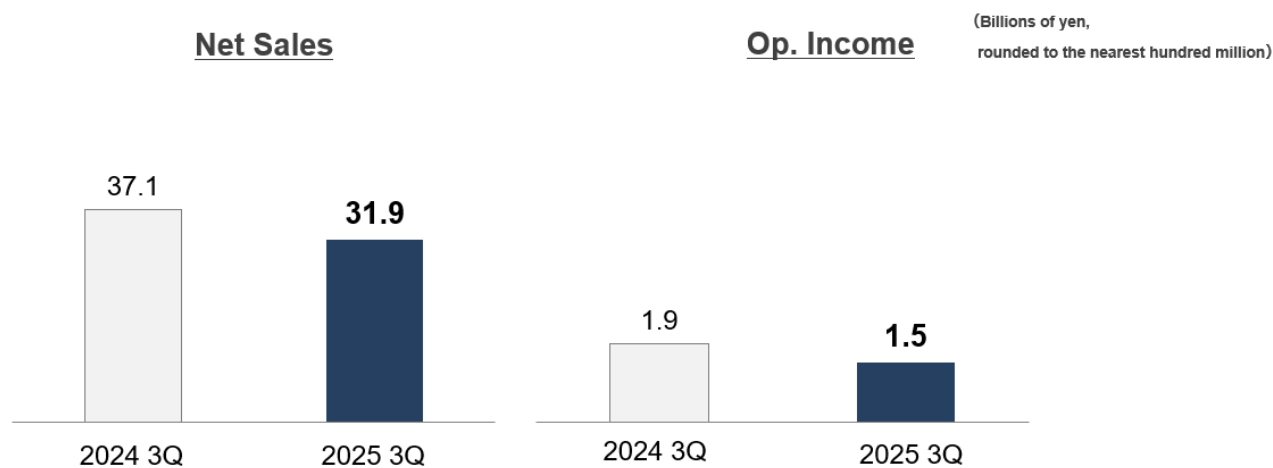


Fiber-related businesses: Sales of sportswear and outdoor clothing applications remained favorable. In addition, we promoted sales expansion of high value-added products, such as highly functional fibers and environmentally friendly products.

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 ¥31,907 million (down 13.9% year on year), and segment income was ¥1,463 million (down 23.2% year on year).



(2) Overview of Financial Position

Total assets increased ¥2,714 million from the end of the previous fiscal year to ¥1,293,953 million due to factors that include a ¥15,732 million increase in inventories and a ¥6,318 million increase in property, plant and equipment despite a ¥9,329 million decrease in notes and accounts receivable-trade, and contract assets and a ¥5,012 million decrease in investment securities. Total liabilities increased ¥39,659 million to ¥549,107 million due to factors that include a ¥54,322 million increase in interest-bearing debt and a ¥5,756 million increase in accrued expenses despite a ¥12,792 million decrease in notes and accounts payable-trade and a ¥6,408 million decrease in income taxes payable.

Net assets fell ¥36,944 million to ¥744,845 million due in part to a ¥28,053 million increase in treasury stock and a ¥12,466 million decrease in foreign currency translation adjustment despite a ¥5,417million increase in retained earnings. Equity attributable to owners of the parent amounted to ¥728,080million, for an equity ratio of 56.3%.

(3) Basis for the Revision in Forecasts, Including Consolidated Financial Results Forecasts

Based on the operating results in the cumulative third quarter and current business trends, we revised the full-year forecast for fiscal 2025 (January 1, 2025 to December 31, 2025), which was announced on August 8, 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
Original Forecast (A)	840,000	75,000	69,000	33,000	103.33
Revised Forecast (B)	810,000	60,000	53,000	23,000	74.66
Amount Adjusted (B – A)	(30,000)	(15,000)	(16,000)	(10,000)	
Percent Adjusted	(3.6%)	(20.0%)	(23.2%)	(30.3%)	
(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 ¥168/EUR, domestic naphtha at ¥68,000/kl, US natural gas at \$3.49/MMBtu, and European natural gas at €39/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.

(4) Basic Policies Related to Profit Distribution and Dividends in Fiscal 2025

The Company positions the distribution of profits to all shareholders as a priority management issue. Our shareholder return policy is to ensure a total return ratio of at least 50% as a proportion of net income attributable to owners of the parent, hold steady or increase dividends per share, and aim to continually conduct share buybacks. Based on this policy, as for the annual dividend for fiscal 2025, the interim dividend was ¥27 per share and we anticipate year-end dividend to be ¥27 per share, resulting in the annual dividend per share to be ¥54.

As detailed in our “Notice of Execution and Completion of Buyback of Company Shares,” published on October 7, 2025, based on a resolution of the Board of Directors on May 14, 2025, we have completed the acquisition of 16,936 thousand shares of treasury stock, totaling ¥29,999 million, as of October 6, 2025. As a result, the total return ratio (planned) for fiscal 2025 stands at about 204%.

In addition, at the Board of Directors meeting held on November 12, 2025, we have decided to cancel 16,900 thousand shares of treasury stock (common stock, 5.20% of the total issued and outstanding shares prior to the cancellation). The cancellation is planned to be implemented on November 28, 2025.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	December 31, 2024	September 30, 2025
ASSETS		
Current Assets		
Cash and deposits	118,068	116,383
Notes and accounts receivable-trade, and contract assets	166,589	157,260
Securities	3,624	1,368
Merchandise and finished goods	170,489	184,914
Work in process	19,974	21,675
Raw materials and supplies	66,365	65,973
Other	21,109	28,178
Allowance for doubtful accounts	(959)	(1,068)
Total current assets	565,262	574,684
Non-current Assets		
Property, plant and equipment		
Buildings and structures, net	118,633	116,478
Machinery, equipment and vehicles, net	292,153	273,073
Land	19,016	17,675
Construction in progress	59,824	86,331
Other, net	50,757	53,144
Total property, plant and equipment	540,385	546,703
Intangible assets		
Goodwill	53,591	51,003
Customer-related assets	27,720	23,554
Other	34,586	33,526
Total intangible assets	115,898	108,083
Investments and other assets		
Investment securities	29,890	24,878
Retirement benefit asset	4,020	4,160
Deferred tax assets	21,485	20,438
Other	14,388	15,095
Allowance for doubtful accounts	(93)	(91)
Total investments and other assets	69,692	64,480
Total non-current assets	725,975	719,268
Total Assets	1,291,238	1,293,953

(Millions of yen)

	December 31, 2024	September 30, 2025
LIABILITIES		
Current Liabilities		
Notes and accounts payable-trade	59,561	46,768
Short-term borrowings	23,850	43,870
Commercial paper	-	24,000
Current portion of bonds payable	10,000	-
Current portion of long-term borrowings	18,146	32,076
Accrued expenses	20,394	26,151
Income taxes payable	10,094	3,685
Provision for bonuses	10,772	11,932
Other	45,413	37,699
Total current liabilities	198,231	226,182
Non-current Liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	142,286	148,659
Deferred tax liabilities	24,385	24,169
Retirement benefit liability	31,417	33,054
Other	63,127	67,041
Total non-current liabilities	311,216	322,924
Total Liabilities	509,448	549,107
NET ASSETS		
Shareholders' Equity		
Share capital	88,955	88,955
Capital surplus	87,124	87,157
Retained earnings	396,752	402,169
Treasury stock	(1,462)	(29,516)
Total shareholders' equity	571,369	548,766
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale securities	8,684	7,624
Deferred gain or losses on hedges	127	(91)
Foreign currency translation adjustment	183,693	171,227
Remeasurements of defined benefit plans	136	553
Total accumulated other comprehensive income	192,642	179,313
Subscription rights to shares	270	229
Non-controlling Interests	17,507	16,535
Total Net Assets	781,790	744,845
Total Liabilities and Net Assets	1,291,238	1,293,953

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Quarterly Consolidated Statements of Income

	(Millions of yen)	
	Fiscal 2024 3Q (January 1, 2024 – September 30, 2024)	Fiscal 2025 3Q (January 1, 2025 – September 30, 2025)
Net sales	614,834	593,424
Cost of sales	407,264	408,970
Gross profit	207,570	184,454
Selling, general and administrative expenses		
Selling expenses	34,289	35,549
General and administrative expenses	99,358	102,547
Total selling, general and administrative expenses	133,647	138,096
Operating income	73,923	46,358
Non-operating income		
Interest income	2,779	1,658
Dividend income	520	525
Share of profit of entities accounted for using equity method	211	252
Other	1,287	835
Total non-operating income	4,800	3,272
Non-operating expenses		
Interest expenses	2,082	2,025
Other	6,299	7,516
Total non-operating expenses	8,381	9,541
Ordinary income	70,341	40,089
Extraordinary income		
Gain on sale of investment securities	1,524	3,007
Insurance claim income	-	690
Total extraordinary income	1,524	3,698
Extraordinary losses		
Costs related to the suspension of operations	-	3,905
Loss on disposal of tangible non-current assets	737	1,036
Loss on sale of tangible non-current assets	-	1,022
Loss on liquidation of business	3,615	890
Impairment loss	2,311	-
Total extraordinary losses	6,664	6,854
Income before income taxes and non-controlling interests	65,202	36,932
Income taxes—current	22,249	12,348
Income taxes—deferred	(3,656)	1,975
Total income taxes	18,593	14,323
Net income	46,608	22,608
Net income (loss) attributable to non-controlling interests	(25)	(175)
Net income attributable to owners of the parent	46,634	22,784

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal 2024 3Q (January 1, 2024 – September 30, 2024)	Fiscal 2025 3Q (January 1, 2025 – September 30, 2025)
Net income	46,608	22,608
Other comprehensive income		
Valuation difference on available-for-sale securities	811	(1,059)
Deferred gains or losses on hedges	(176)	(316)
Foreign currency translation adjustment	4,131	(12,400)
Remeasurements of defined benefit plans, net of tax	131	416
Share of other comprehensive income of entities accounted for using equity method	89	(144)
Total other comprehensive income	4,989	(13,505)
Comprehensive income	51,598	9,103
Comprehensive income attributable to:		
Owners of the parent	51,164	9,456
Non-controlling interests	433	(352)

(3) Notes regarding Quarterly 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, completing the acquisition of 16,936 thousand shares of treasury stock, totaling ¥29,999 million, as of October 6, 2025. Due in part to this buyback, treasury stock increased ¥28,053 million during the cumulative third quarter, and treasury stock stood at ¥29,516 million as of September 30, 2025.

The acquisition of treasury stock based on this resolution, has been completed as of October 6, 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 quarterly consolidated financial statements.

Notes regarding Cash Flow Statements

The Company have not prepared quarterly consolidated cash flow statements for the cumulative third quarter. Depreciation and amortization (including the amortization of intangible fixed assets other than goodwill) as well as the amortization of goodwill for the cumulative third quarter are as follows.

	Fiscal 2024 3Q (January 1, 2024 – September 30, 2024)	Fiscal 2025 3Q (January 1, 2025 – September 30, 2025)
Depreciation and amortization	¥59,613 million	¥58,669 million
Amortization of goodwill	¥3,683 million	¥3,869 million

Notes regarding Segment Information, etc.

● Segment Information

I. Cumulative Third Quarter of Fiscal 2024 (January 1, 2024 to September 30, 2024)

1. Net sales, income and loss by reporting segment

(Millions of yen)

	Reporting Segment						Others ¹	Total	Adjustment ²	Consolidated Statements of Income ³
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales										
Outside customers	301,861	42,892	148,594	42,734	47,386	583,470	31,364	614,834	—	614,834
Intersegment sales and transfers	13,643	13,183	3,735	3,461	849	34,872	5,708	40,580	(40,580)	—
Total	315,504	56,076	152,329	46,196	48,235	618,342	37,073	655,415	(40,580)	614,834
Segment income (loss)	70,594	(5,569)	9,304	2,189	4,093	80,612	1,905	82,518	(8,594)	73,923

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 ¥8,594 million is the elimination of intersegment transactions of ¥3,390 million and corporate expenses of ¥11,985 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 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 ¥3,527 million. In the Functional Materials segment, ¥2,806 million of this impairment loss was included in loss on liquidation of business under extraordinary losses in the cumulative third quarter.

II. Cumulative Third Quarter of Fiscal 2025 (January 1, 2025 to September 30, 2025)

1. Net sales, income and loss by reporting segment

(Millions of yen)

	Reporting Segment						Others ¹	Total	Adjustment ²	Consolidated Statements of Income ³
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales										
Outside customers	287,736	44,837	145,013	40,614	48,092	566,294	27,130	593,424	—	593,424
Intersegment sales and transfers	13,658	13,664	3,476	3,116	958	34,875	4,776	39,651	(39,651)	—
Total	301,394	58,501	148,490	43,731	49,051	601,169	31,907	633,076	(39,651)	593,424
Segment income (loss)	48,560	(2,178)	6,321	1,295	4,225	58,224	1,463	59,688	(13,330)	46,358

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 ¥13,330 million is the elimination of intersegment transactions of ¥1,694 million and corporate expenses of ¥15,024 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 consolidated statements of income.