

kuraray

Possible starts here

June 24, 2022

Management Briefing

Kuraray Co., Ltd.

Today's agenda

1. About our new tagline “Possible starts here”
2. Kuraray Group's Sustainability

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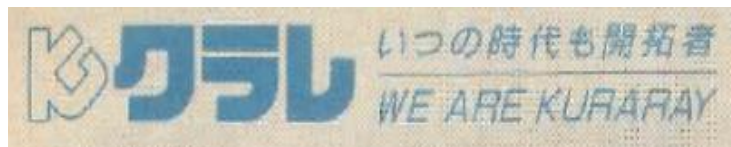
Possible starts here

About our new tagline “Possible starts here”

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Possible starts here

1980's~1990's



2000's~2010's



未来に化ける新素材
kuraray
株式会社 クラレ

ミラバケ(ッ)ソ

2022~

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Possible starts here

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Possible starts here

Thoughts in the tagline

- Our desire is to co-create value with society for a better future—starting with the Kuraray Group.
- Since our founding, we have contributed to the creation of new value under our mission “For people and the planet—to achieve what no one else can.”.
- We believe our pioneering technology can contribute to solve the issues of the society and environment.
- Possibility changes the world. And it starts here.

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Possible starts here

kuraray
Possible starts here

Beyond impossible lies what's possible.
Waiting to be discovered by those with the courage
to challenge the norm and bring about change.

Nearly a century ago, one such pioneer made
it possible for a successful company to serve the
greater good and society at large.

While also rewarding and nurturing its employees
and stakeholders.

That company is Kuraray.

And today while we face new challenges;
The need to protect the environment.
The need to improve global health.
The need to create cleaner chemicals.

That founding belief in what's possible remains unchanged.

We still work for the benefit of all.
We still trust in our expertise in chemistry to go beyond and innovate.
And we still embrace the power of collaboration with others.

Knowing we're stronger and better, when working together
to change impossible into possible for everyone.

As we make our journey together towards a fairer, safer,
more sustainable future, a real possibility.

Possibility can change the world. And it starts here.

Background story

- A story that conveys our thoughts and values that we have cherished since our founding, which is the background of the tagline.

How we plan use the tagline

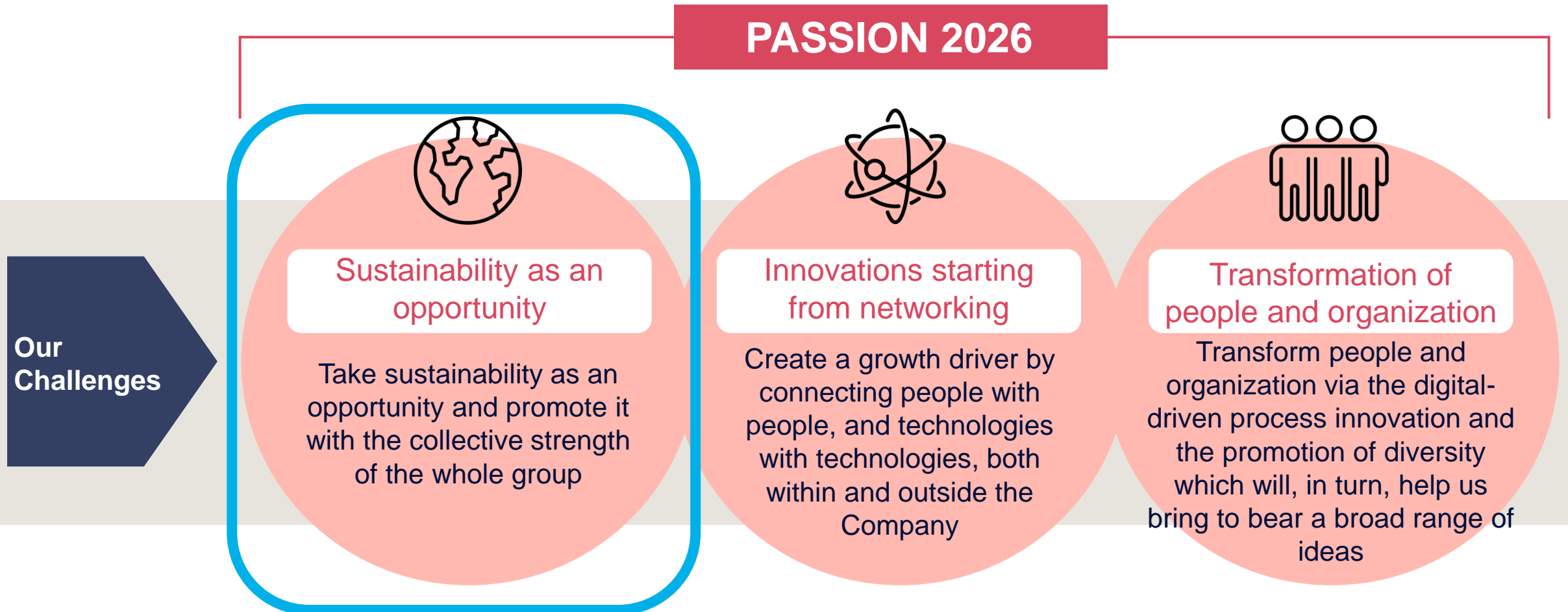
- Used together with the corporate logo on websites and advertisements and so on, for better communication to convey the thoughts of the Kuraray Group to stakeholders including employees.

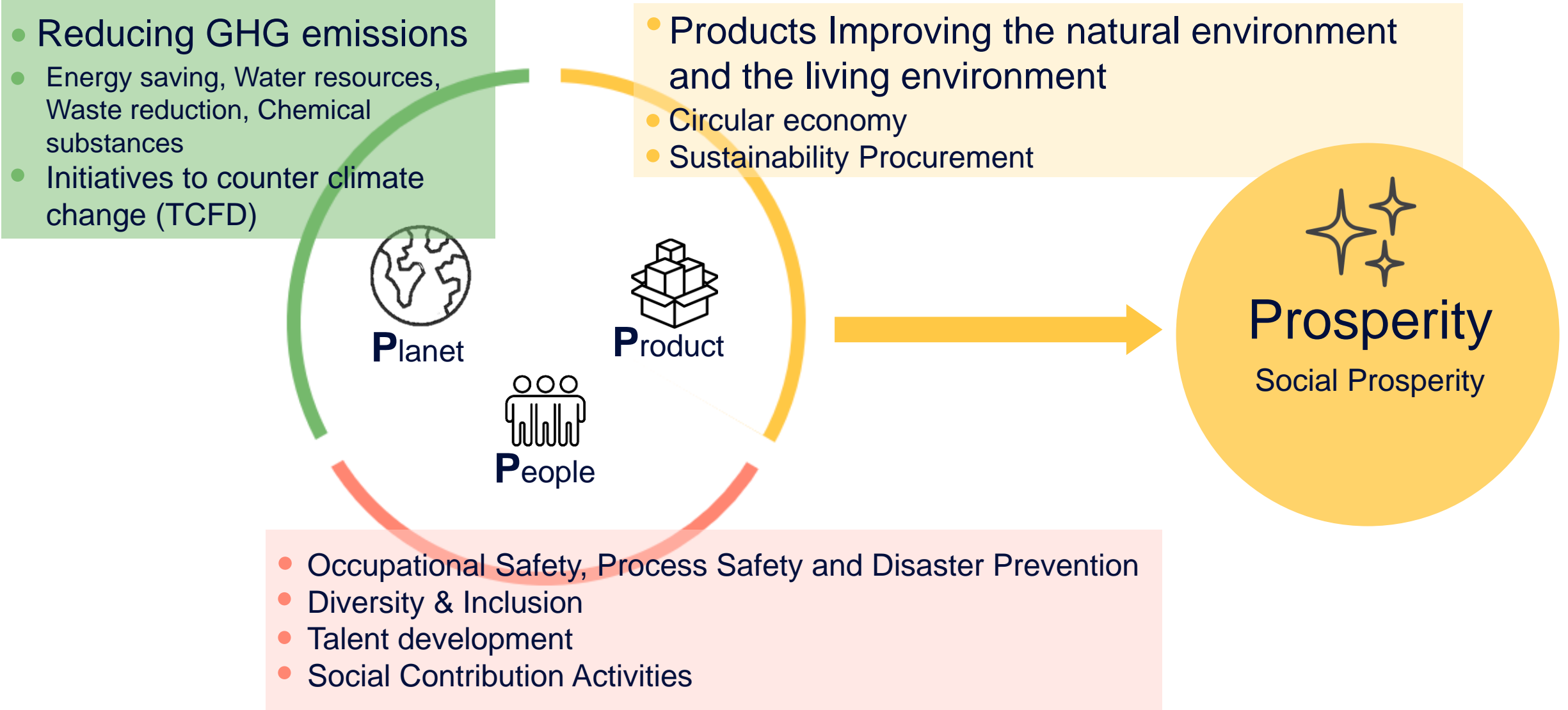
Kuraray Group's Sustainability

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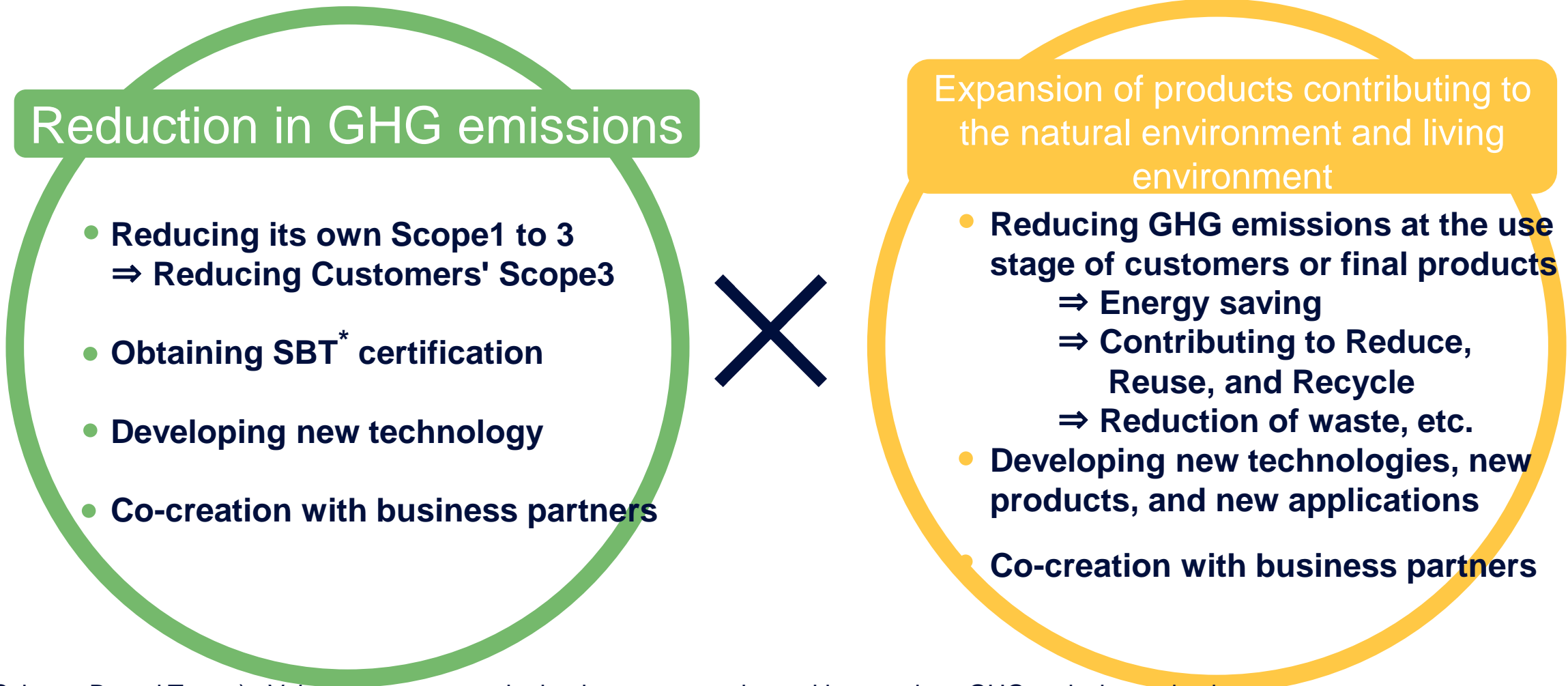
Possible starts here

- Set three challenges to tackle during the medium-term management plan “PASSION 2026” period.





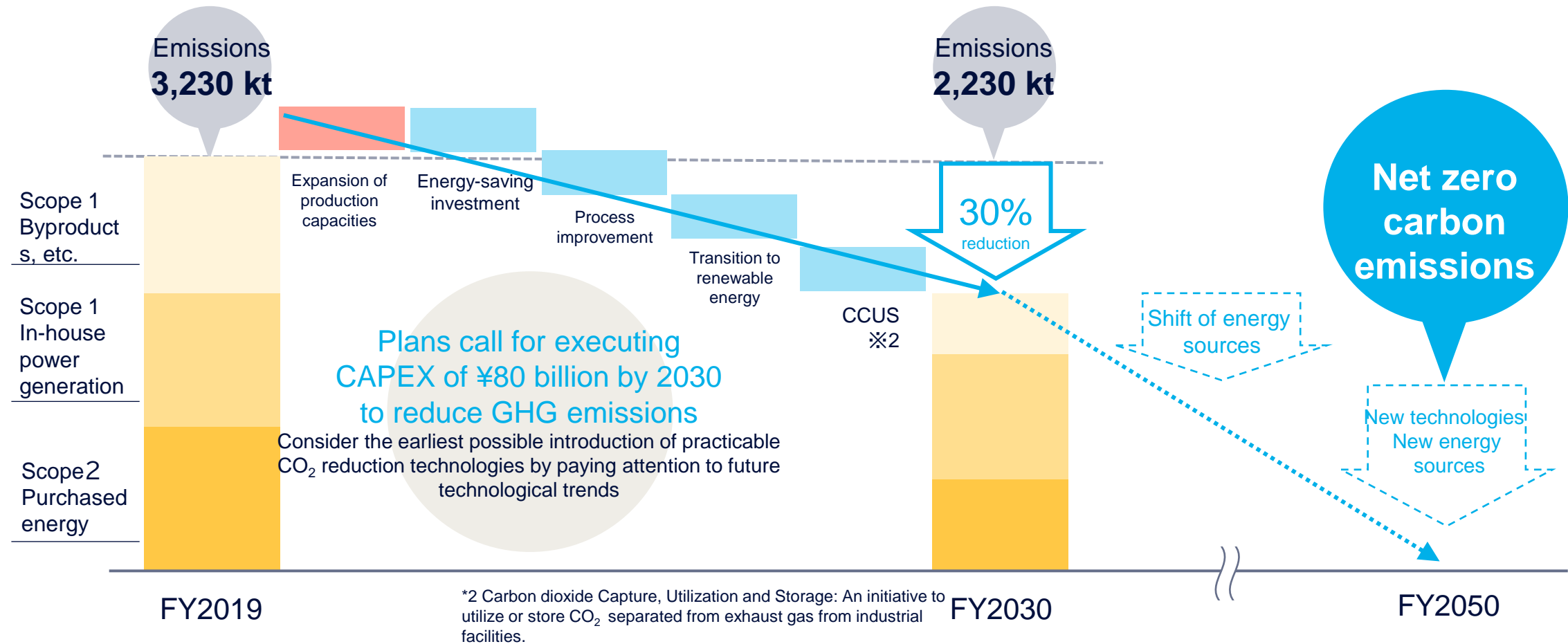
- Creating Values with “Reducing GHG Emissions” and “Expanding Products that Contribute to the Natural Environment and the Living Environment”



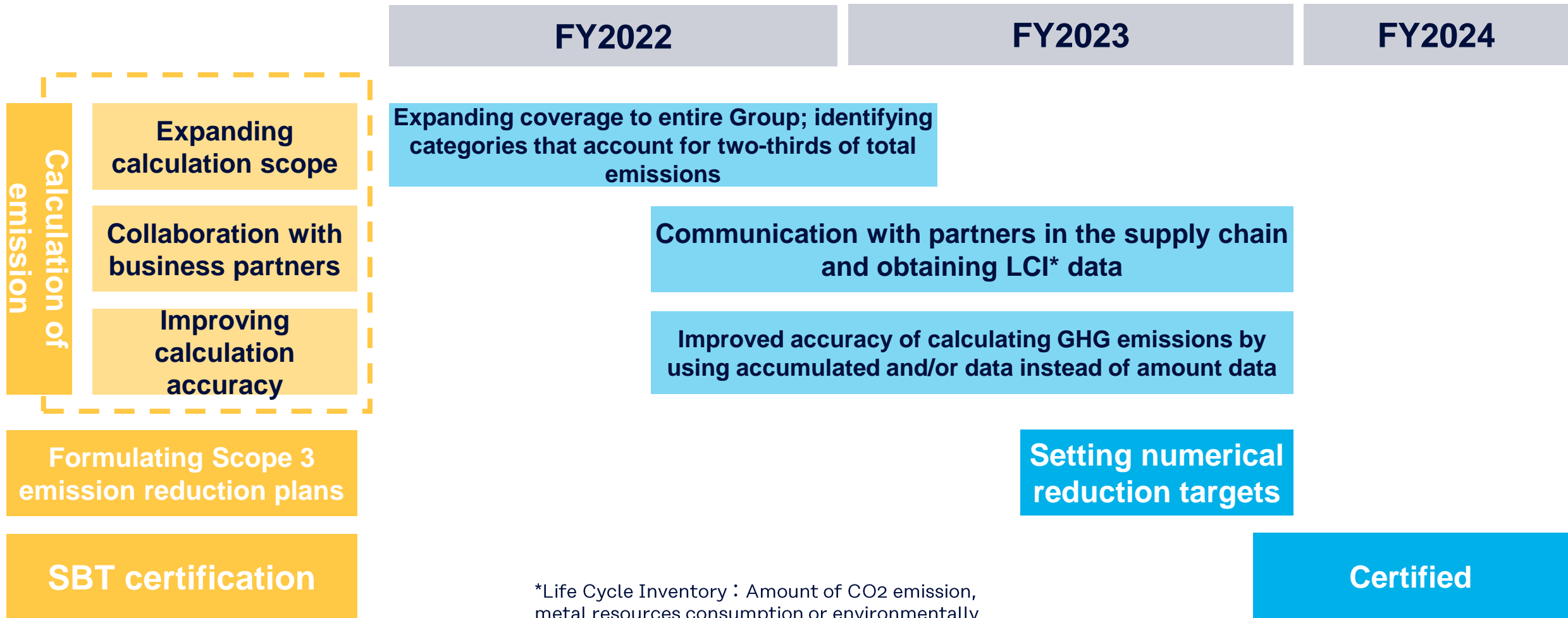
* SBT(Science Based Target) : Voluntary targets set by business corporations with regards to GHG emission reductions over the course of 5 to 15 years in a manner consistent with the levels required by the Paris Agreement

■ Toward our FY2050 target of net zero carbon emissions,* we aim to reduce GHG emissions arising from our operations by 30% until FY2030 compared with the FY2019 level.

* Scope 1 and 2 emissions

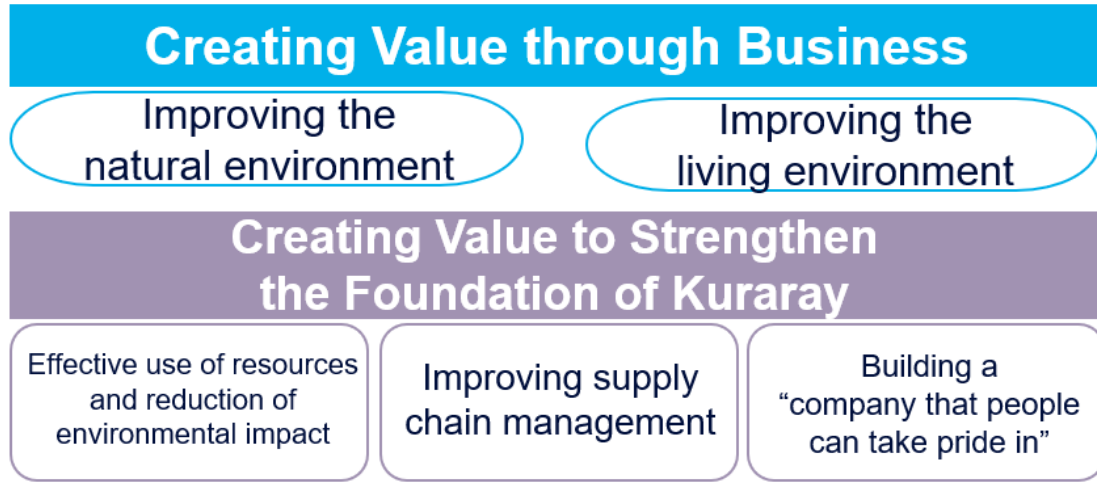


■ Aim to obtain SBT certification in fiscal 2024

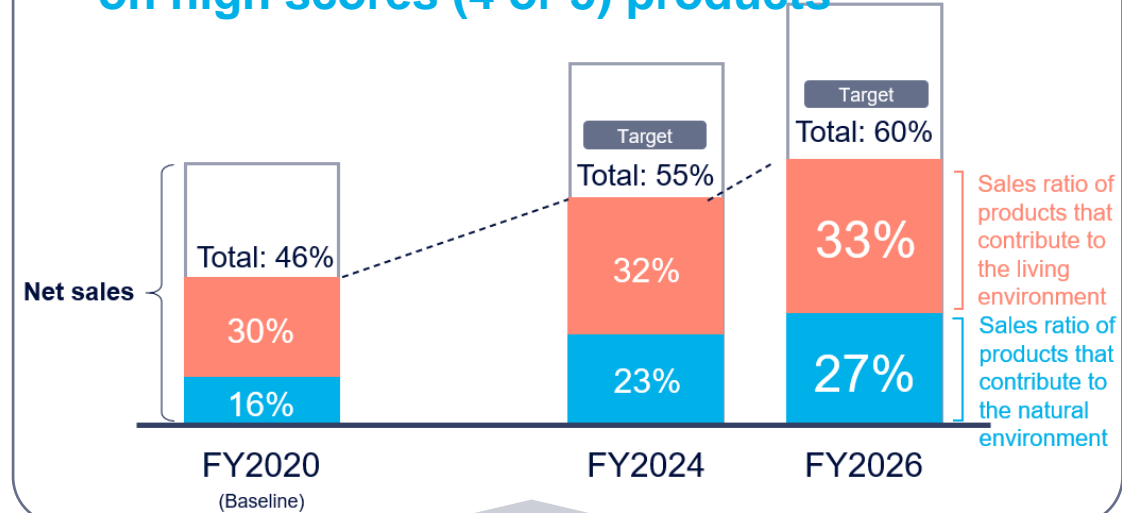


*Life Cycle Inventory : Amount of CO2 emission, metal resources consumption or environmentally hazardous substances like waste through life cycle of the product.

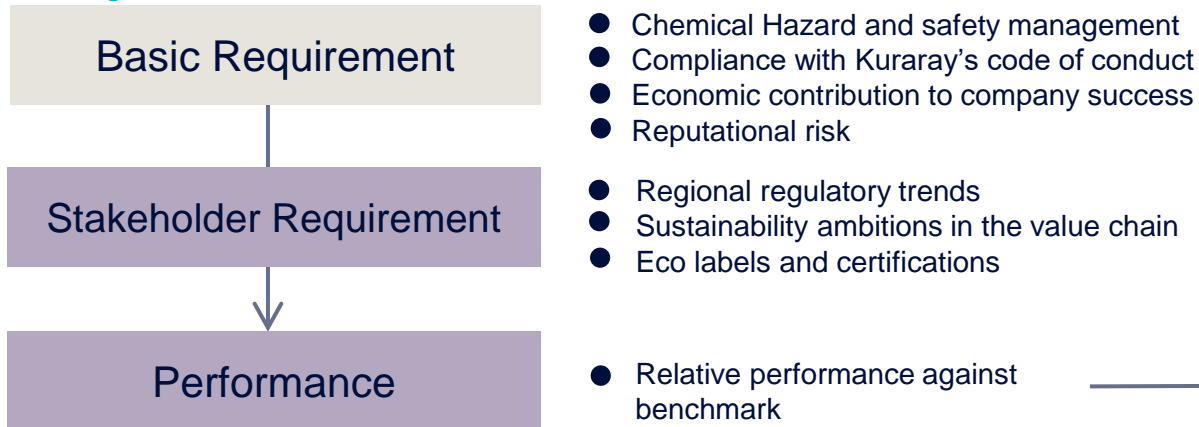
1) Business Divisions and Companies formulate Medium-Term Plans for products that contribute to materiality



3) Formulate of company-wide plans based on high scores (4 or 5) products



2) Establish Kuraray Group PSA System and Implement objective assessment



<Evaluation Rank>





Source: "Chemical Industry Methodology for Portfolio Sustainability Assessment"

URL: <https://www.wbcSD.org/Programs/Circular-Economy/Resources/Chemical-Industry-Methodology-for-Portfolio-Sustainability-Assessments>

- PSA is a product portfolio assessment index for all industries guided by WBCSD (World Business Council for Sustainable Development).
- With the support by Sphera, we created the Kuraray PSA System, which complies with the WBCSD's chemical industry guidelines.

Signal category

Mandatory

- Chemical hazard and exposure across the life cycle
- Global regulatory trends
- Authoritative ecolabels
- Sustainability ambitions in the value chain
- Sustainability performance compared to alternative solutions

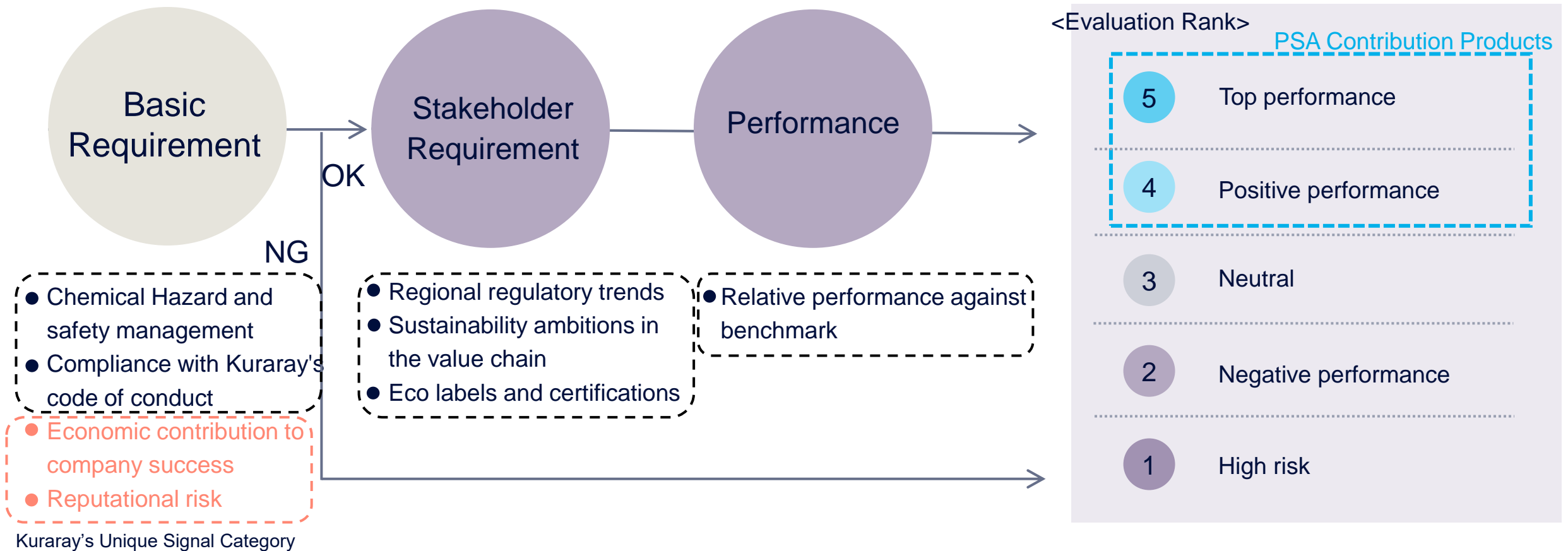
Optional

- Economic value creation vs. the use of natural capital
- Contribution the Sustainable Development Goals
- Company internal guidelines & objectives

●: Signal Categories Adopted by Kuraray PSA Evaluation System

Unit of evaluation: PARC

Combination of **P**roduct, **A**pplication, **R**egion



Include elements that have high contribution to the living environment in the performance evaluation element

Elements used for performance evaluation

- ●
- ●
- Uses Bio-based and / or Recycled Raw Materials
- Reduces GHG emissions in production
- Contributes to higher Energy Efficiency
- Contributes to reduction of Water Consumption
- Improves use of final product (extended use phase, durability)
- Improves safe use of final solution
- Improves public or personal health and / or hygiene
- ●
- ●
- ●

- Mandatory elements
- Elements that have high contribution to the natural environment
- Elements that have high contribution to the living environment

Products that are “Improving the natural environment” and “Improving the living environment “ and the points of PSA evaluation result

Improving natural environment

Asbestos substitutes

- KURARON™
 - Help extend the life of cement materials
 - Less GHG emission compare to competitive products

Bio-based or recycled raw materials

- Liquid rubber made from bio-based materials
- ECOTALK™ polyester
- CLARINO™ man-made leather
 - Reduce scope3 GHG emission



Water and air purification

- Activated carbon



- Easy to reactivate
- Suitable for environmental regulation

Lower logistical burden/
Food loss reduction

- EVAL™ EVOH resin
 - Recyclable (Contribute to CE*)
 - Reduce food loss
- Bio-based gas barrier material PLANTIC™
 - Reduce Scope3 GHG emission
 - Reduce food loss



Improving living environment

Make dentists and patients life easier

- Dental materials
 - Shorten time of treatment
 - Reduce number of replacement by long-lasting products

High-speed communication

- VECSTAR™
 - Realize high-speed communication



Lightweight EVs

- GENESTAR™ heat-resistant polyamide resin
 - Improve durability of end-product

*CE : Circular Economy

- Utilize PSA other than product screening that contribute to the natural and living environment

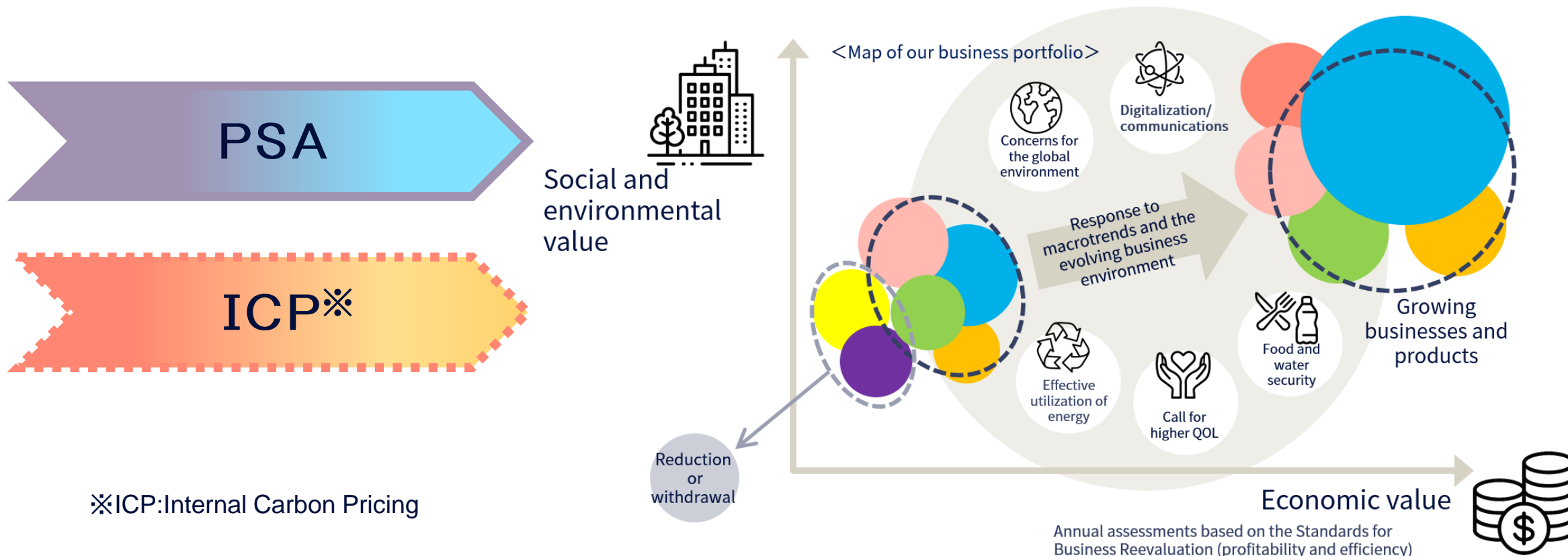
As an indicator

- As a stage gate system for new product development
- Criteria for decision making of CAPEX

In our daily operations

- Simulation systems for marketing and application development (to generate new idea)
- To confirm appeal points of the product

PSA and ICP are used for evaluation elements of social and environmental value



*ICP:Internal Carbon Pricing

Kuraray Group's ICP system

Internal Carbon price ¥10,000/t-CO₂ (calculated using internal exchange rates at overseas)
Effective from January 1, 2022

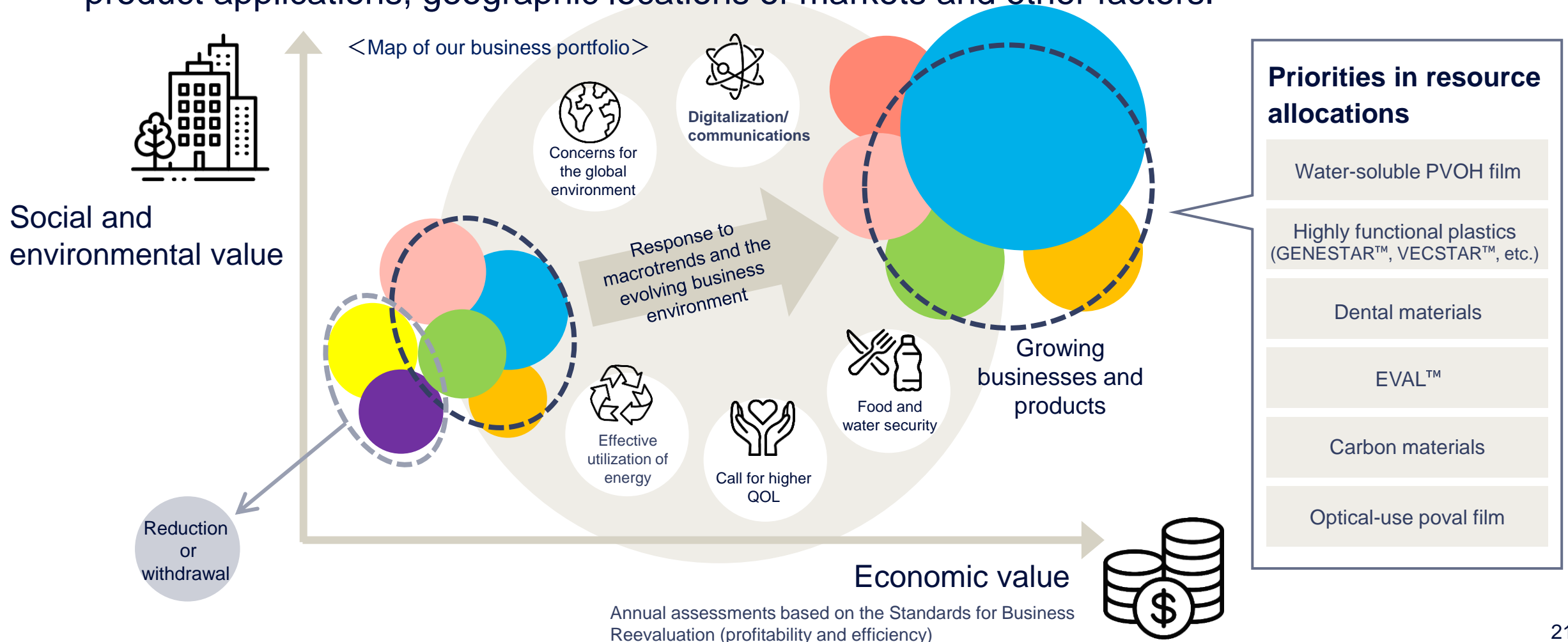
Already implemented

- CAPEX that increases/decreases GHG emissions
- Calculating virtual cost/profit with Internal Carbon price and use as one of criteria to make a decision of the investment

Under consideration

- Converting GHG emissions of each business and product to cost at an Internal Carbon price and evaluate their resilience to future carbon taxes, etc.

- Based on assessments of social, environmental and economic value arising from each business, we will constantly upgrade our portfolio by reshuffling its components in light of product applications, geographic locations of markets and other factors.



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