

**Consolidated Financial Results
for the Three Months
Ended March 31, 2025 (Unaudited)**

**May 14, 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.

May 14, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: KURARAY CO., LTD.
 Listing: Tokyo Stock Exchange
 Stock code: 3405
 URL: <https://www.kuraray.com/>
 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 three months ended March 31, 2025 (from January 1, 2025 to March 31, 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 | |
|--------------------|-----------------|-----|------------------|--------|-----------------|--------|---|--------|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 194,804 | 1.4 | 18,650 | (35.2) | 17,826 | (36.0) | 12,007 | (44.4) |
| March 31, 2024 | 192,183 | 3.9 | 28,793 | 35.0 | 27,861 | 36.6 | 21,614 | 165.1 |

Note: Comprehensive income For the three months ended March 31, 2025: -¥15,412 million [-%]
 For the three months ended March 31, 2024: ¥57,033 million [254.4%]

| | Net Income per Share | Fully Diluted Net Income per Share |
|--------------------|----------------------|------------------------------------|
| Three months ended | Yen | Yen |
| March 31, 2025 | 37.07 | 37.05 |
| March 31, 2024 | 64.56 | 64.52 |

(2) Consolidated financial position

| | Total Assets | Net Assets | Equity Ratio |
|-------------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| March 31, 2025 | 1,264,735 | 757,012 | 58.5 |
| December 31, 2024 | 1,291,238 | 781,790 | 59.2 |

Reference: Equity attributable to owners of the parent

As of March 31, 2025: ¥739,783 million

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

2. Cash Dividends

| | Annual 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 | — | | | | |
| Fiscal year ending December 31, 2025 (Forecast) | | 27.00 | — | 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)

(Percentage changes displayed for net sales, operating income, ordinary income and net income attributable to owners of the parent are comparisons with the corresponding period of the previous fiscal year.)

(Millions of yen)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of the Parent | | Net Income per Share (Yen) |
|------------------|-----------|-----|------------------|--------|-----------------|--------|---|--------|----------------------------|
| | | % | | % | | % | | % | |
| Interim Period | 420,000 | 2.1 | 38,000 | (16.4) | 36,000 | (18.2) | 22,000 | (27.7) | 67.93 |
| Full Fiscal Year | 860,000 | 4.0 | 90,000 | 5.8 | 85,000 | 4.3 | 45,000 | 41.8 | 138.95 |

Note: Revisions to forecasts of consolidated financial results during this period: None

[Notes]

(1) Significant changes in the scope of consolidation during the period: None

(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 shares)

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

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

| | |
|-------------------------|----------------|
| As of March 31, 2025 | 966,640 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 March 31, 2025 | 323,877,119 shares |
| As of March 31, 2024 | 334,773,181 shares |

Note: Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:
None

Cautionary Statement with Respect to Forecasts of Consolidated Business Results

(Cautionary note regarding forward-looking statements)

The results forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts. Please refer to “1. Qualitative Information regarding Financial Results (3) Basis for Forecasts, Including Consolidated Financial Results Forecasts” on page 7 of the Attachment for the assumptions used.

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 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 first quarter of fiscal 2025 (January 1, 2025–March 31, 2025), the world economy overall showed variation among regions, but the forecast has grown even more unclear. The Japanese economy remained firm on the back of stable domestic demand while the U.S. economy slowed in part because of a sharp turn in trade policies amid emerging signs of weakness in individual consumption. In addition, European economies saw the pace of economic recovery slow against a backdrop of protracted conflicts and market stagnation in some regions. Although China saw some signs of success in government-led economic stimulus measures aimed at stemming economic deceleration, the country's real estate market remained sluggish.

Amid these circumstances, consolidated operating results for the first quarter of fiscal 2025 are as follows: net sales increased ¥2,620 million (1.4%) year on year to ¥194,804 million; operating income decreased ¥10,143 million (35.2%) year on year to ¥18,650 million; ordinary income decreased ¥10,035 million (36.0%) year on year to ¥17,826 million; and net income attributable to owners of the parent decreased ¥9,607 million (44.4%) year on year to ¥12,007 million.

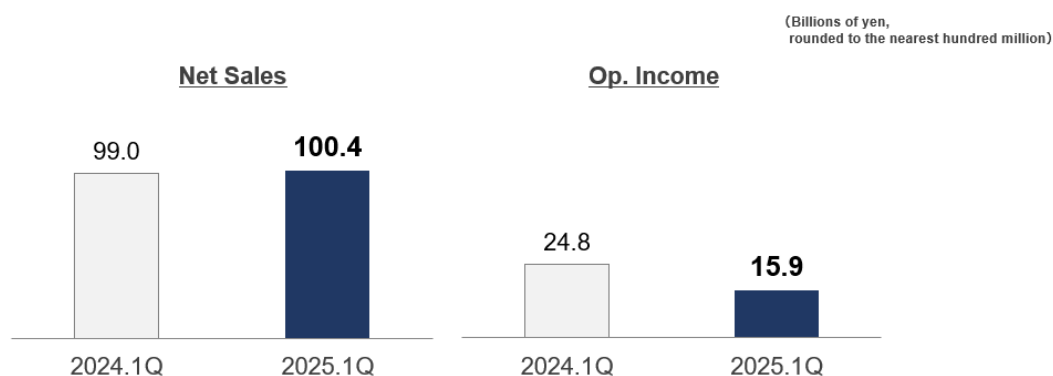
(Millions of yen)

| | FY2024 1Q Consolidated Period | | FY2025 1Q Consolidated Period | | Change | |
|-------------------------|----------------------------------|------------------|----------------------------------|------------------|-----------|------------------|
| | Net sales | Operating income | Net sales | Operating income | Net sales | Operating income |
| Vinyl Acetate | 99,041 | 24,788 | 100,434 | 15,917 | 1,393 | (8,870) |
| Isoprene | 17,155 | 21 | 19,686 | 2,822 | 2,531 | 2,800 |
| Functional Materials | 48,733 | 3,242 | 47,607 | 2,006 | (1,126) | (1,235) |
| Fibers and Textiles | 13,829 | (243) | 13,409 | (598) | (420) | (355) |
| Trading | 15,317 | 1,336 | 16,659 | 1,377 | 1,341 | 40 |
| Others | 11,734 | 428 | 11,108 | 134 | (626) | (294) |
| Elimination & Corporate | (13,629) | (781) | (14,101) | (3,009) | (471) | (2,228) |
| Total | 192,183 | 28,793 | 194,804 | 18,650 | 2,620 | (10,143) |

Results by Business Segment

Vinyl Acetate

Sales in this segment were ¥100,434 million (up 1.4% year on year), and segment income was ¥15,917 million (down 35.8% year on year) due to negative effects from rising raw material and fuel prices and inventory valuation differences.



PVOH resin: Sales volume decreased as the special demand that arose in the previous year due to logistics disruptions to Europe dissipated. There were also negative effects from inventory valuation differences and rising raw material and fuel prices.

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

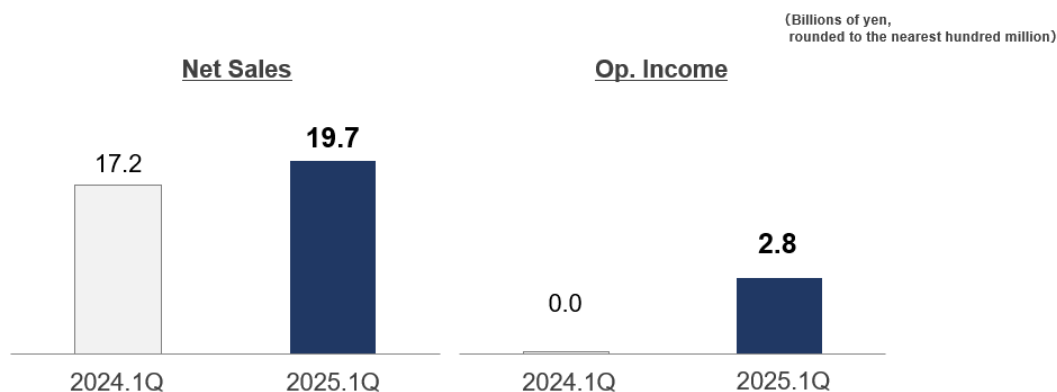
Advanced Interlayer Solutions: Although sales of SentryGlas™ specialty ionoplast interlayers remained favorable, especially in the Americas, the competitive environment for PVB film has intensified, particularly in Asia. As a result, sales volume has decreased for both construction and automotive applications.

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

EVAL™ EVOH resin: The sales volume increased for food packaging applications remained favorable, especially in Europe and the United States, and automotive applications held steady, but these products were affected in part by rising raw material and fuel prices.

Isoprene

Sales in this segment were ¥19,686 million (up 14.8% year on year), and segment income was ¥2,822 million (compared with segment income of ¥21 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.

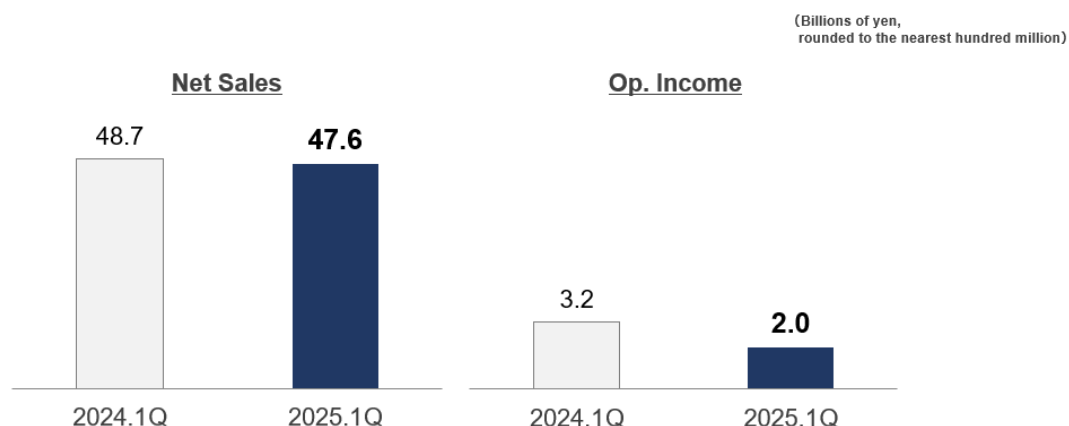


Isoprene chemicals and elastomer: The sales volume increased as demand remained firm, especially in Europe and the United States.

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

Functional Materials

Sales in this segment were ¥47,607 million (down 2.3% year on year), and segment income was ¥2,006 million (down 38.1% year on year) due in part to the effects of a cold wave in the United States and production difficulties.



Methacrylate: Although the sales volume fell due to temporary production difficulties, terms of trade improved.

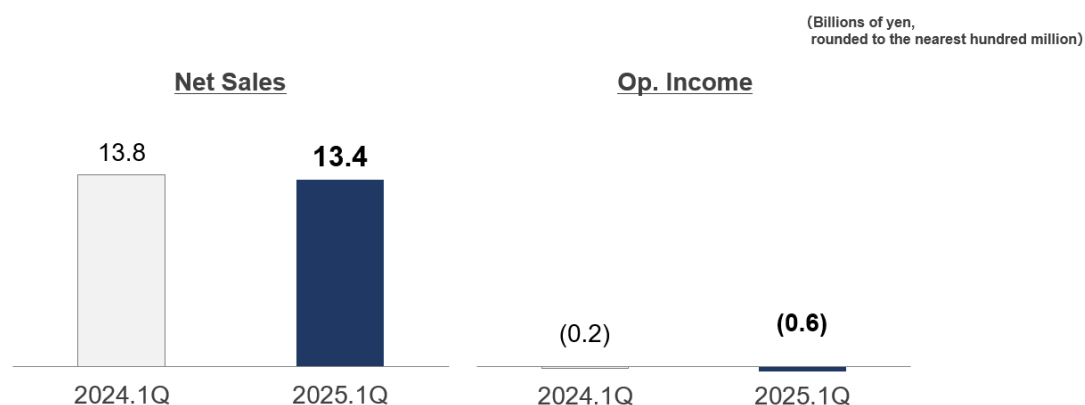
Medical: Sales of cosmetic dental materials, mainly in Europe and the United

States, remained brisk, and we continued strengthening marketing aimed at expanding sales.

Environmental Solutions: Demand for industrial activated carbon remained weak in Europe. Although demand in North America remained stable, performance was impacted by a cold wave and production difficulties.

Fibers and Textiles

Sales in this segment were ¥13,409 million (down 3.0% year on year), and segment loss was ¥598 million (compared with segment loss of ¥243 million in the same period of the previous fiscal year). The result was impacted in part by stagnation in European economies and a decline in the production of automobiles.

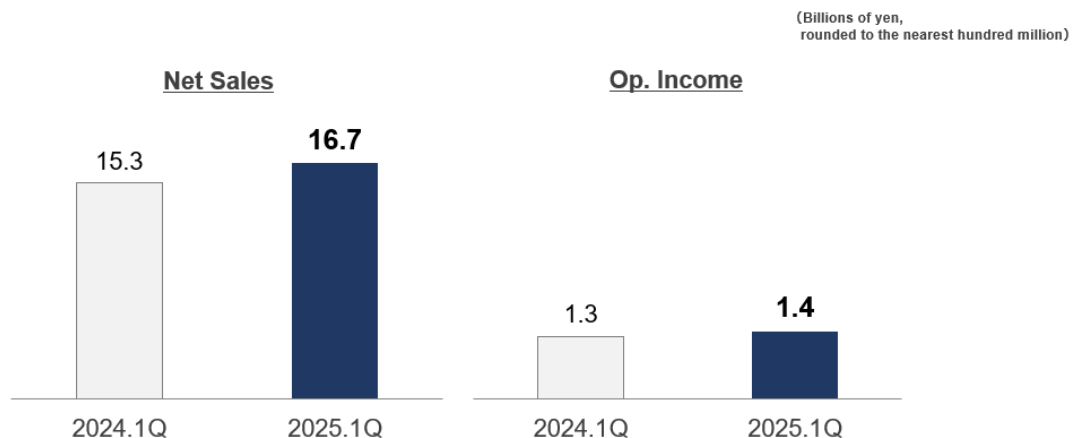


CLARINO™ man-made leather: The sales volume decreased amid a decline in demand for luxury and automotive applications due in part to the effects of inventory adjustments in the EV market, stagnant demand in the European market, and slowing growth in the Chinese economy.

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 ¥16,659 million (up 8.8% year on year), and segment income was ¥1,377 million (up 3.0%).

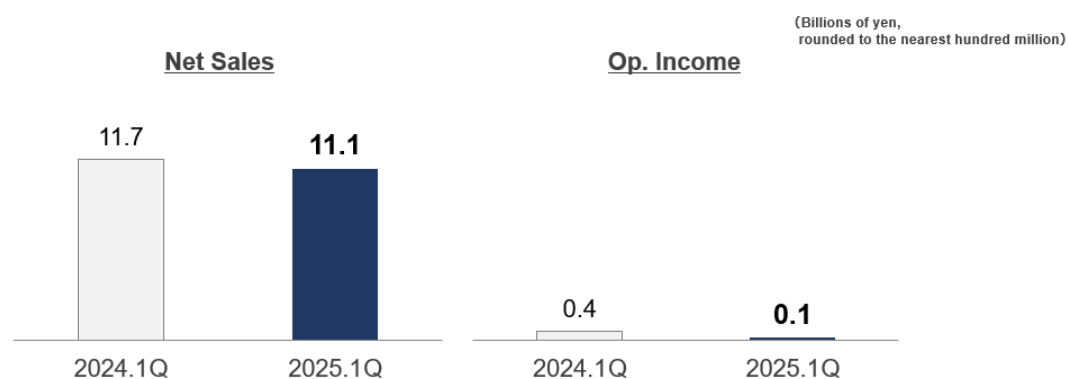


Fiber-related businesses: Sales of sportswear applications remained favorable. In addition, we promoted sales expansion of high value-added products, such as highly functional fibers and environmentally friendly products.

Resins and chemicals: Sales of imports were affected by deteriorating terms of trade.

Others

Sales in this segment were ¥11,108 million (down 5.3% year on year), and segment income was ¥134 million (down 68.6%).



(2) Overview of Financial Position

Total assets decreased ¥26,503 million from the end of the previous fiscal year to ¥1,264,735 million due to factors that include a ¥18,226 million decrease in property, plant and equipment and a ¥8,804 million decrease in cash and deposits despite a ¥9,840 million increase in inventories. Total liabilities decreased ¥1,725 million to ¥507,723 million due to factors that include a ¥6,877 million decrease in other current liabilities due primarily to a decrease in accounts payable-trade related to the purchase of equipment and a ¥5,069 million decrease in notes and accounts payable-trade despite a ¥12,474 million increase in interest-bearing debt.

Net assets fell ¥24,777 million to ¥757,012 million due in part to a ¥27,178 million decrease in foreign currency translation adjustment despite a ¥3,259 million increase in retained earnings. Equity attributable to owners of the parent amounted to ¥739,783 million, for an equity ratio of 58.5%.

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

Regarding the cumulative financial results forecast for the interim period of the fiscal year ending December 31, 2025 (January 1, 2025–June 30, 2025), after a careful analysis of the current operating results and business environment, there is no change from the figures publicly announced at the start of the year. However, we revised the average exchange rates used as assumptions for the forecasts as follows: ¥145 per USD, ¥160 per euro, and ¥70,000 per kl of domestic naphtha. As for the full-year forecast, we have not made any revisions, but, depending on the situation in the second quarter or later, we will quickly make an announcement if revisions become necessary. Regarding the U.S. tariff policy, it is difficult to quantitatively forecast the impacts, so they were not included in the forecasts. We will continue to respond appropriately while closely monitoring the situation.

| |
|--|
| Note: The above forecasts are based on the best information currently available. Actual financial results may vary 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 for continually conduct share buybacks. Based on this policy, we plan to provide an annual dividend per share of ¥54 in fiscal 2025. In addition, as in the "Notice of Decision to Launch a Share Buyback" dated May 14, 2025, we have decided to conduct a share buyback. The details of the share buyback are as follows.

Details of the Share Buyback

- | | |
|--------------------------------|--|
| (1) Type of shares in buyback: | Common stock |
| (2) Maximum number of shares: | Up to 22.0 million shares (Approximately 6.79% of total outstanding shares, excluding treasury stock) |
| (3) Maximum value of buyback: | Up to ¥30.0 billion |
| (4) Buyback method: | Market purchase based on a trade contract for acquiring treasury stock |
| (5) Buyback period: | May 15, 2025 to December 15, 2025 |

The Company plans to cancel treasury stock to be acquired this time. Number of shares to be canceled and cancellation timing will be announced as soon as they are decided.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

| | December 31, 2024 | March 31, 2025 |
|--|-------------------|----------------|
| ASSETS | | |
| Current Assets | | |
| Cash and deposits | 118,068 | 109,264 |
| Notes and accounts receivable-trade, and contract assets | 166,589 | 163,449 |
| Securities | 3,624 | 1,992 |
| Merchandise and finished goods | 170,489 | 179,915 |
| Work in process | 19,974 | 22,498 |
| Raw materials and supplies | 66,365 | 64,256 |
| Other | 21,109 | 24,671 |
| Allowance for doubtful accounts | (959) | (903) |
| Total current assets | 565,262 | 565,145 |
| Non-current Assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 118,633 | 116,507 |
| Machinery, equipment and vehicles, net | 292,153 | 278,571 |
| Land | 19,016 | 18,675 |
| Construction in progress | 59,824 | 59,982 |
| Other, net | 50,757 | 48,420 |
| Total property, plant, and equipment | 540,385 | 522,158 |
| Intangible assets | | |
| Goodwill | 53,591 | 49,648 |
| Customer-related assets | 27,720 | 25,353 |
| Other | 34,586 | 33,338 |
| Total intangible assets | 115,898 | 108,339 |
| Investments and other assets | | |
| Investment securities | 29,890 | 28,485 |
| Retirement benefit asset | 4,020 | 4,007 |
| Deferred tax assets | 21,485 | 22,722 |
| Other | 14,388 | 13,967 |
| Allowance for doubtful accounts | (93) | (90) |
| Total investments and other assets | 69,692 | 69,091 |
| Total non-current assets | 725,975 | 699,590 |
| Total Assets | 1,291,238 | 1,264,735 |

| | (Millions of yen) | |
|---|-------------------|----------------|
| | December 31, 2024 | March 31, 2025 |
| LIABILITIES | | |
| Current Liabilities | | |
| Notes and accounts payable-trade | 59,561 | 54,491 |
| Short-term borrowings | 23,850 | 33,830 |
| Commercial paper | — | 10,000 |
| Current portion of bonds payable | 10,000 | 10,000 |
| Current portion of long-term borrowings | 18,146 | 16,739 |
| Accrued expenses | 20,394 | 21,628 |
| Income taxes payable | 10,094 | 8,334 |
| Provision for bonuses | 10,772 | 11,940 |
| Other | 45,413 | 38,535 |
| Total current liabilities | 198,231 | 205,499 |
| Non-current Liabilities | | |
| Bonds payable | 50,000 | 50,000 |
| Long-term borrowings | 142,286 | 136,188 |
| Deferred tax liabilities | 24,385 | 24,432 |
| Retirement benefit liability | 31,417 | 31,580 |
| Other | 63,127 | 60,022 |
| Total non-current liabilities | 311,216 | 302,223 |
| Total Liabilities | 509,448 | 507,723 |
| NET ASSETS | | |
| Shareholders' Equity | | |
| Share capital | 88,955 | 88,955 |
| Capital surplus | 87,124 | 87,124 |
| Retained earnings | 396,752 | 400,011 |
| Treasury shares | (1,462) | (1,419) |
| Total shareholders' equity | 571,369 | 574,672 |
| Accumulated Other Comprehensive Income | | |
| Valuation difference on available-for-sale securities | 8,684 | 8,229 |
| Deferred gain or losses on hedges | 127 | 186 |
| Foreign currency translation adjustment | 183,693 | 156,514 |
| Remeasurements of defined benefit plans | 136 | 180 |
| Total accumulated other comprehensive income | 192,642 | 165,111 |
| Subscription rights to shares | 270 | 229 |
| Non-controlling Interests | 17,507 | 16,998 |
| Total Net Assets | 781,790 | 757,012 |
| Total Liabilities and Net Assets | 1,291,238 | 1,264,735 |

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

(Millions of yen)

| | Fiscal 2024 1Q (January 1, 2024 – March 31, 2024) | Fiscal 2025 1Q (January 1, 2025 – March 31, 2025) |
|---|---|---|
| Net sales | 192,183 | 194,804 |
| Cost of sales | 120,216 | 131,218 |
| Gross profit | 71,967 | 63,586 |
| Selling, general and administrative expenses | | |
| Selling expenses | 11,207 | 11,761 |
| General and administrative expenses | 31,965 | 33,174 |
| Total selling, general and administrative expenses | 43,173 | 44,935 |
| Operating income | 28,793 | 18,650 |
| Non-operating income | | |
| Interest income | 1,175 | 599 |
| Dividend income | 97 | 125 |
| Share of profit of entities accounted for using equity method | 95 | 69 |
| Other | 796 | 338 |
| Total non-operating income | 2,165 | 1,132 |
| Non-operating expenses | | |
| Interest expenses | 716 | 661 |
| Other | 2,381 | 1,296 |
| Total non-operating expenses | 3,097 | 1,957 |
| Ordinary income | 27,861 | 17,826 |
| Extraordinary losses | | |
| Loss on disaster | — | 691 |
| Loss on liquidation of business | — | 555 |
| Loss on disposal of tangible non-current assets | 251 | 153 |
| Total extraordinary losses | 251 | 1,401 |
| Income before income taxes and non-controlling interests | 27,609 | 16,424 |
| Income taxes—current | 7,606 | 4,308 |
| Income taxes—deferred | (2,117) | (394) |
| Total income taxes | 5,489 | 3,914 |
| Net income | 22,120 | 12,510 |
| Net income attributable to non-controlling interests | 505 | 503 |
| Net income attributable to owners of the parent | 21,614 | 12,007 |

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Fiscal 2024 1Q (January 1, 2024 – March 31, 2024) | Fiscal 2025 1Q (January 1, 2025 – March 31, 2025) |
|--|---|---|
| Net income | 22,120 | 12,510 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,495 | (454) |
| Deferred gains or losses on hedges | (75) | 10 |
| Foreign currency translation adjustment | 33,293 | (27,321) |
| Remeasurements of defined benefit plans, net of tax | 40 | 43 |
| Share of other comprehensive income of entities accounted for using equity method | 160 | (201) |
| Total other comprehensive income | 34,913 | (27,923) |
| Quarterly comprehensive income | 57,033 | (15,412) |
| Comprehensive income attributable to: | | |
| Owners of the parent | 56,496 | (15,523) |
| Non-controlling interests | 537 | 110 |

(3) Notes regarding Quarterly Consolidated Financial Statements

Notes regarding Going Concern Assumptions

None

Notes regarding Material Changes in Shareholders' Equity

None

Changes in Accounting Principles

Application of Accounting Standard for Current Income Taxes

Kuraray has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from January 1, 2025. These changes have no effect on the consolidated quarterly financial statements.

Notes regarding Cash Flow Statements

The Company has not prepared quarterly consolidated statements of cash flows for the first quarter. The following table details depreciation and amortization (including the amortization of intangible fixed assets other than goodwill) and the amortization of goodwill in the first quarter.

| | (Millions of yen) | |
|-------------------------------|---|---|
| | Fiscal 2024 1Q (January 1, 2024 – March 31, 2024) | Fiscal 2025 1Q (January 1, 2025 – March 31, 2025) |
| Depreciation and amortization | 18,997 | 19,529 |
| Amortization of goodwill | 1,208 | 1,185 |

Notes regarding Segment Information, etc.

● Segment Information

I. First Quarter of Fiscal 2024 (January 1, 2024 to March 31, 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 | 94,863 | 12,766 | 47,365 | 12,738 | 15,051 | 182,785 | 9,397 | 192,183 | — | 192,183 |
| Intersegment sales and transfers | 4,177 | 4,389 | 1,368 | 1,091 | 266 | 11,293 | 2,336 | 13,629 | (13,629) | — |
| Total | 99,041 | 17,155 | 48,733 | 13,829 | 15,317 | 194,079 | 11,734 | 205,813 | (13,629) | 192,183 |
| Segment income (loss) | 24,788 | 21 | 3,242 | (243) | 1,336 | 29,146 | 428 | 29,575 | (781) | 28,793 |

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 ¥781 million is the elimination of intersegment transactions of ¥2,522 million and corporate expenses of ¥3,304 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.

II. First Quarter of Fiscal 2025 (January 1, 2025 to March 31, 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 | 95,333 | 14,926 | 46,332 | 12,370 | 16,335 | 185,298 | 9,506 | 194,804 | — | 194,804 |
| Intersegment sales and transfers | 5,101 | 4,760 | 1,274 | 1,038 | 324 | 12,499 | 1,601 | 14,101 | (14,101) | — |
| Total | 100,434 | 19,686 | 47,607 | 13,409 | 16,659 | 197,797 | 11,108 | 208,906 | (14,101) | 194,804 |
| Segment income (loss) | 15,917 | 2,822 | 2,006 | (598) | 1,377 | 21,525 | 134 | 21,660 | (3,009) | 18,650 |

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 ¥3,009 million is the elimination of intersegment transactions of ¥1,149 million and corporate expenses of ¥4,159 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.