

Strategies by Segment

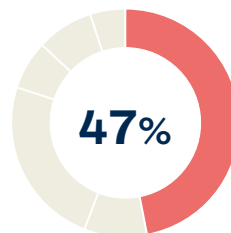
Detailed product information and financial data for each segment can be found in the Kuraray Fact Book

Announcement of Financial Results Fact Book

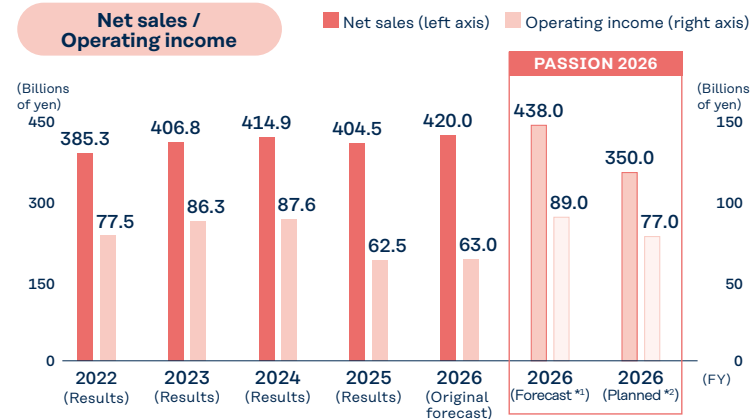
Vinyl Acetate

We manufacture and sell materials ranging from PVOH resin offering properties such as water solubility and high adhesiveness; PVOH film used in liquid crystal displays and soluble unit dose systems for detergent and other products; PVB film used as an interlayer for safety glass; SentryGlas™ ionoplast interlayers; to EVAL™ EVOH resin with high gas barrier properties.

Net sales composition ratio



Net sales / Operating income



*1 Announced in Feb. 2025 *2 Announced in Feb. 2022

Competitive Advantages

- Integrated production based on advanced technology from raw material monomers to finished products
- Numerous high-quality, cost-competitive product lines
- Stable supply framework backed by our global network; strong customer base
- Capabilities in proposing value to customers and in marketing
- Establishment of Singapore Technical Center to accelerate growth in Asian markets

Business Environment

Opportunities

- Expanding demand for barrier paper, etc., amid growing environmental awareness
- Increased demand due to a shift toward larger liquid crystal displays and accelerated digitalization trends
- Increased global demand for soluble unit dose system for detergent
- Demand for both safety and security, as well as design and natural lighting, in architecture
- Growing concern about food safety and security amid rising living standards in emerging countries
- Growing global demand for recyclable packaging materials and food loss reduction

Risks

- Soaring raw materials and fuel prices and sharp exchange rate fluctuations
- Increased country risks
- Negative impact on the global economy due to policy uncertainty in various countries
- Intensified competition due to new entry by competitors
- Maturing of the liquid crystal display market and expansion of the OLED display market

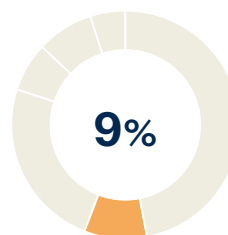
"PASSION 2026" Strategies and Progress

Business	Strategy	Progress to date
PVOH resin	<ul style="list-style-type: none"> - Maintain a strong supply framework by taking advantage of our strengths backed by our own raw material production capabilities - Continue to shift from quantity to quality (new applications and high-value-added products) 	We continued our shift toward high-value-added products and strengthened and optimized the global supply chain.
Optical-use poval film	<ul style="list-style-type: none"> - Strengthen production and sales frameworks in accurate response to expanding demand and the market shift to China - Launch and expand lineup of value-added products that meet customer needs, such as high-transparency or thin film 	To meet growing demand for wide film driven by the increasing size of liquid crystal displays, we decided to invest in expanding capacity at our Saijo Plant.
Water-soluble PVOH film	<ul style="list-style-type: none"> - Timely capacity expansion to cover demand growth and to maintain stable supply to the market - Promote the development of new applications as well as biodegradable and bio-based raw materials to contribute to a circular economy 	As the world's leading supplier of water-soluble PVOH film, we have put a framework in place to ensure stable supply in line with future market growth. Production commenced in 2024 at our new plant in Poland, further strengthening the supply chain.
Advanced interlayer solutions	<ul style="list-style-type: none"> - Expand SentryGlas™, our unique interlayer film for safety glass - Leverage the strengths of the global supply framework supported by bases in Europe, the United States and South Korea while accelerating the launch of newly developed products 	We optimized the global supply chain to meet brisk demand for SentryGlas™. Sales of advanced interlayers for high-performance automotive applications were up as a growing number of new customers in Asia adopted our products.
EVAL	<ul style="list-style-type: none"> - Enhance the stable supply framework and build a new plant in Asia - Contribute to food loss reduction and circular economy by meeting growing demand for food packaging applications 	Sales expanded due to development of new applications for food packaging. To make our global supply framework more stable, we are expanding production lines in Europe and the United States and also decided to build a new plant in Singapore, due to be completed at the end of 2026.

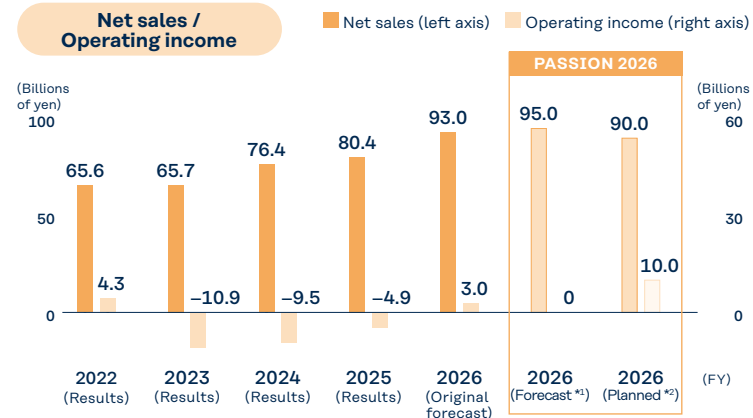
Isoprene

We manufacture and sell isoprene chemical products made with a synthesizing method as well as SEPTON™ thermoplastic elastomer and GENESTAR™ heat-resistant polyamide resin, which are derivatives of isoprene chemical products.

Net sales composition ratio



Net sales / Operating income



*1 Announced in Feb. 2025 *2 Announced in Feb. 2022

Competitive Advantages

- Broad lineup of unique products based on proprietary technology
- Advanced technological services that meet customer needs
- Stable supply framework through global network, with newly added base in Thailand
- Capabilities in proposing value to customers and in marketing

Business Environment




Opportunities

- Expanding demand for materials development for the weight reduction, electronic control, and electrification of automobiles
- Growing demand for high-end materials to meet next-generation communication standards
- Increased demand for environmentally friendly materials and bio-based materials due to growing environmental awareness

Risks

- Soaring costs of raw materials and fuel, difficulties in procurement, and sharp fluctuations in foreign exchange rates
- Reduced automobile and electrical and electronic device production due to semiconductor shortages
- Low-cost strategies of competitors and other factors will undermine markets

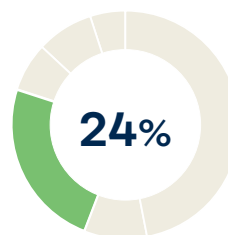
"PASSION 2026" Strategies and Progress

Business	Strategy	Progress to date
Isoprene Chemicals 	<ul style="list-style-type: none"> - Expand sales of one-of-a-kind products - Quickly commercialize newly developed products to secure new profit contributors - Promote sustainability (Reduce GHG emissions via the switchover of raw materials and the improvement of the manufacturing process) 	For our one-of-a-kind products, we steadily expanded sales of MPD (3-Methyl-1,5-Pentanediol) and MMB (an alcohol-based solvent), supported by increased production capacity at our Thailand facility.
Elastomer 	<ul style="list-style-type: none"> - Strengthen global supply framework for SEPTON™ - Build a new liquid rubber plant in the United States - Promote a development framework and expand sales of products that are high-value-added and made from sustainable raw materials 	Amid intensifying competition, we are working to improve our portfolio by expanding sales of high-value-added products. For SEPTON™, we are also increasing sales, including products manufactured in Thailand. In 2025, we obtained ISCC PLUS certification for products made from biomass and recycled raw materials at the Kashima Plant, further promoting the expansion of environmentally friendly products.
Genestar 	<ul style="list-style-type: none"> - Expanded use in parts for weight reduction, electronic control, and electrification of automobiles - Penetrate further into global markets, including Europe, the United States and Asia - Consider the second phase of facility construction at the Thai plant 	Sales for PC-related components remained strong. In the automotive sector, in addition to traditional demand for high heat resistance, new applications are being adopted to meet needs such as weight reduction and high voltage resistance, and development projects are expanding globally.

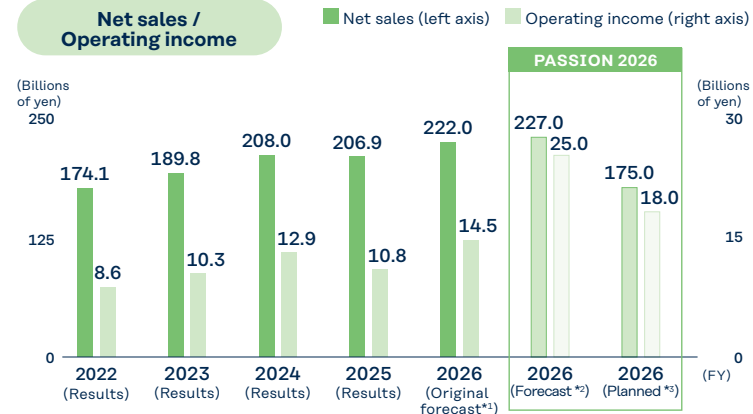
Functional Materials

We manufacture and sell activated carbon whose high adsorption performance is used to purify air and water, hollow-fiber membrane modules, dental materials enabling restorations that closely resemble natural teeth, and methacrylic resin that offers excellent transparency and weatherability.

Net sales composition ratio



Net sales / Operating income



*1 From fiscal 2026, the segment classification for the Electronics Materials Promotion Division has been changed from "Others" to "Functional Materials." The figures for fiscal 2026 (Original Forecast) reflect this change. *2 Announced in Feb. 2025 *3 Announced in Feb. 2022

Competitive Advantages

- Development of high-value-added products with advanced technological capabilities and high quality
- Supply and sales capabilities using our global network as a comprehensive manufacturer of activated carbon
- Capabilities in proposing value to customers and in marketing

Business Environment





Opportunities

- Increased demand for air and water purification under tighter environmental regulations worldwide
- Global expansion of the circular economy
- Expansion of energy-related markets
- Growing demand for cosmetic dentistry in line with rising standards of living
- Digitalization of dental lab work using CAD/CAM
- Increased demand to develop materials with transparency and optical properties in line with the increasing sophistication of automobiles

Risks

- GHG emissions from the activated carbon production process
- Decreasing cost competitiveness and supply capacity due to inadequate raw materials procurement capabilities
- Soaring raw materials and fuel prices and sharp exchange rate fluctuations

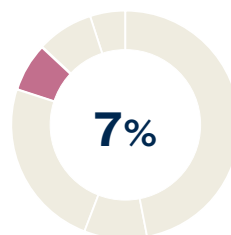
"PASSION 2026" Strategies and Progress

Business	Strategy	Progress to date
Environmental Solutions 	<ul style="list-style-type: none"> - Expand profitability leveraging strengths as an activated carbon manufacturer - Fully realize synergies and growth by enhancing our production capabilities for both virgin and reactivated carbon - Develop products related to reducing GHG emissions for electrical material and mobility applications 	<p>We are strengthening our ability to provide products and services by capturing business opportunities such as those related to PFAS. In 2022, we expanded our reactivated carbon facilities in Belgium, and in 2024, we expanded our virgin activated carbon facilities and acquired an industrial reactivated carbon business in the United States. From 2025 to 2026, we secured land for a new plant in the United States and decided to expand our reactivated carbon facilities for drinking water. We are also promoting higher-value-added products and environmental initiatives, including joint Japan-U.S. development for electrical materials and mobility applications, as well as considering the use of biomass-derived raw materials to reduce GHG emissions.</p>
Medical (dental materials) 	<ul style="list-style-type: none"> - Continue to introduce high-value-added, differentiated products - Strengthen the product supply framework to support global business expansion 	<p>As part of our efforts to introduce high-value-added, differentiated products, we launched the ultra-fast sintering zirconia block, which significantly reduces treatment time. In addition, we are expanding production capacity for inorganic dental materials at the Miyoshi Plant, with construction underway for operations to begin in the second half of 2026. We are also strengthening our organizational structure and promoting the development and implementation of digital systems to support global business expansion.</p>
Methacrylate 	<ul style="list-style-type: none"> - Develop and realize high-value-added materials and technologies for the next generation - Establish a recycling system and achieve production process innovation 	<p>In addition to establishing a system to increase production of radiation shielding panels, we launched operations at a demonstration plant for heat-resistant acrylic resin. In tandem with this, we decided to optimize MMA production capacity at the Niigata Plant and to transfer our methacrylic resin sheet manufacturing subsidiary in China and the stamper business, enabling us to focus management resources on high-value-added fields. We are also promoting environmental initiatives, such as obtaining ISCC PLUS certification for molding materials.</p>
Aqua 	<ul style="list-style-type: none"> - Strengthen the membrane business by leveraging our unique technologies - Promote environment-related businesses backed by synergies with the Environmental Solutions business 	<p>There was increased uptake of GL module high-performance membranes for the water treatment area of the semiconductor manufacturing sector. We are pursuing new customer acquisition and other activities by leveraging the staff and networks of the Environmental Solutions Division.</p>

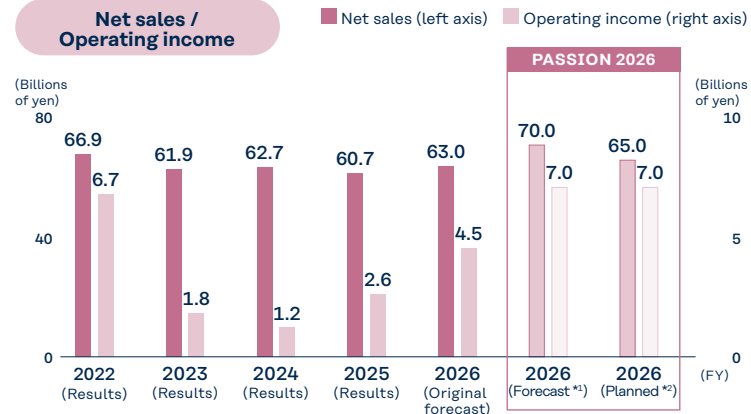
Fibers and Textiles

We manufacture and sell KURALON™ PVA fiber, which is mainly used in reinforcing cement building materials and in automotive components; CLARINO™ man-made leather, which has a structure and functionality similar to natural leather; VECTRAN™ liquid crystal polymer fiber, known for its high strength and low water absorption; meltblown nonwoven fabrics used as household and industrial products; and MAGIC TAPE™ hook-and-loop fastener.

Net sales composition ratio



Net sales / Operating income



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Competitive Advantages

- Turning an array of resins into fibers using various proprietary spinning technologies
- Development and proactive deployment of sustainable products
- Capabilities in proposing value and marketing, including assessment technologies for customer applications

Business Environment




Opportunities

- Strengthening measures that contribute to society, such as meeting asbestos regulations
- Amid growing environmental awareness, mounting demand for materials and manufacturing methods that offer low environmental impact
- Mounting demand for high-end materials in line with performance enhancements of various industrial products

Risks

- Competition with products from emerging countries and with other materials
- Soaring costs and difficulties in procuring raw materials and fuel, sharp exchange rate fluctuations
- Disruptions in overseas logistics in export businesses

"PASSION 2026" Strategies and Progress

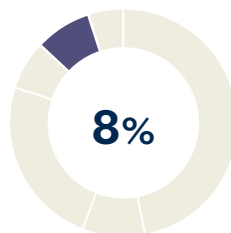
Business	Strategy	Progress to date
Clarino 	<ul style="list-style-type: none"> - Expand sustainable products using recycled raw materials and bio-based raw materials while shifting to environmentally friendly manufacturing and processing processes - Expand the supply framework in response to the globalization of supply chains 	We are increasingly adopting products made with environmentally friendly manufacturing processes that do not use organic solvents, as well as products made with recycled materials, for a wide range of applications including our mainstay sports shoes and luxury products. In 2025, we launched a new brand for school backpacks made with nylon recycled from used fishing nets and aquaculture ropes.
Fibers and Industrial Materials 	<ul style="list-style-type: none"> - Expand sales of VECTRAN™ leveraging the characteristics of materials - Expand KURALON™ PVA fiber operations by concentrating resources on strategic applications such as rubber reinforcement and concrete reinforcement, as well as expanding applications in fields requiring compliance with environmental regulations (e.g., asbestos substitutes). 	VECTRAN™ is seeing steadily growing use in industrial material applications, capitalizing on its high strength, low water absorption, and other characteristics. Although KURALON™ was impacted by weak demand in existing applications, we are working to expand sales of high-value-added products, such as those that help reduce the environmental impact of cement building materials.
Fastening 	<ul style="list-style-type: none"> - Expand environmentally friendly products and sustainable materials - Expand the lineup of unique products, such as MAGIC TAPE™, to meet labor saving needs for customers' manufacturing processes 	The business is launching and expanding sales of a range of products, including the industry's only recyclable, environmentally friendly MAGIC TAPE™ made from recycled polyester yarn, and a hook-and-loop fastener for cable ties that uses the Kuraray Group's specialty resin, offering superior flexibility and holding durability.

Strategies by Segment

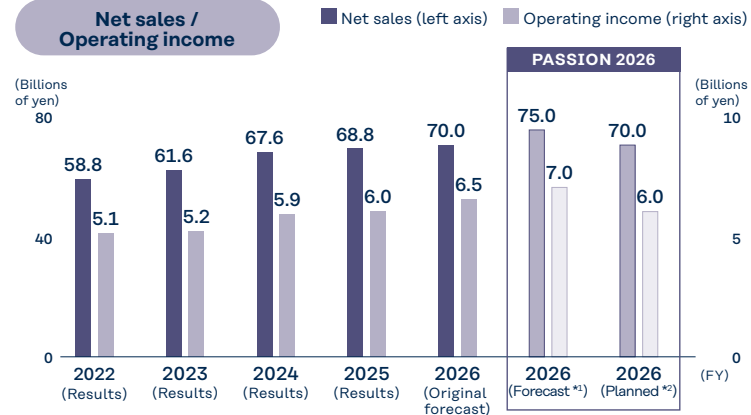
Trading

In addition to the manufacture and sale of polyester and other fiber and textile products, we sell Kuraray Group products in Japan and other parts of Asia.

Net sales composition ratio



Net sales / Operating income



*1 Announced in Feb. 2025 *2 Announced in Feb. 2022

Competitive Advantages

- Use of Kuraray's specialty yarn to build an integrated supply chain extending to sewn products
- Bases in Asia carry out technical services, production follow-up, and sales activities, contributing to business expansion

Business Environment

Opportunities

- Expansion of sports and outdoor product markets fueled by rising health consciousness
- Economic growth and cooperation in mainstay Asian markets

Risks

- Soaring raw materials and fuel costs and sharp exchange rate fluctuations
- Emerging geopolitical risks and supply chain disruptions

"PASSION 2026" Strategies and Progress

Business	Strategy	Progress to date
Fibers and Textiles	<p>Expanding proprietary product and processing businesses</p> <ul style="list-style-type: none"> - Shift from raw yarn and fabric sales centered on polyester filaments to product sales - Expansion of value-added processed products <p>Expanding overseas businesses</p> <ul style="list-style-type: none"> - Overseas expansion adapted to growing Asian markets - Establish an integrated production system for textile products utilizing Vietnamese production sites 	<p>In the apparel sector, sales of fabrics and sewn products for use in sports apparel and outdoor wear are expanding steadily in Japan and China. Against this backdrop, we progressively increased sewing and printing equipment capacity at our partner plant in Vietnam in 2025. In the materials sector, we are focusing on overseas sales for medical applications and have strengthened compliance with regulations and enhanced local production systems in Vietnam.</p> <p>In addition, we grew sales of a new fiber that offers superior quick-drying properties and a dry feel. Meanwhile, our environmentally friendly grade of the conventional split-type microfiber, which uses recycled raw materials, has attracted strong interest from customers who prioritize environmental responsibility, and is currently undergoing evaluation for full-scale adoption.</p>
Chemicals and chemical products	<p>Soft casting thermoplastic elastomer</p>	<p>We are focusing on import sales to Japan and inter-regional overseas transactions by leveraging the functions of our overseas bases, resulting in a significant increase in sales volume. In addition, for value-added processed products, sales of our soft casting thermoplastic elastomer have been expanding steadily for both the Japanese and Chinese markets, supported by new production facilities at our Tomiyoshi Plant in Okayama Prefecture that began operations as planned in June 2025.</p>