

Message from the Chairman of the Board of Directors



Masaaki Ito
Chairman and Director

We will continue to engage in constructive discussions as we look toward the next 100 years

Based on a skills matrix, Kuraray's Board of Directors is made up of members with a broad range of backgrounds and expertise. As changes in the operating environment accelerate even further, a key responsibility of the Board is to examine the appropriateness of the Company's management policies and its responses to anticipated risks from multiple perspectives, and to link these efforts to the sustained enhancement of corporate value. As chairman, I am committed to invigorating discussions to ensure that the wide-ranging perspectives of both Internal and Outside Directors are fully reflected, thereby further enhancing the quality of the decision-making process of the Board overall.

We conduct an annual evaluation of the effectiveness of the Board to verify whether our corporate governance is functioning effectively. The results of the evaluation for fiscal 2025 were generally positive, confirming that the effectiveness of the Board is being maintained. On the other hand, Outside Directors and Members of Audit & Supervisory Board raised several important points needing to be addressed, including known issues around the share

price and ROE, the importance of dialogue with investors, strengthening risk resilience in light of the external environment, and the necessity of further deepening discussions on succession planning. Taking these observations into account, we will continue to engage in discussions that contribute to enhancing corporate value, while refining the selection of themes and issues to be addressed.

Fiscal 2026 is the final year of our Medium-Term Management Plan, "PASSION 2026." As we evaluate the progress and outcomes of key initiatives, such as enhancing our business portfolio and our Three Challenges, we will verify the appropriateness of the underlying assumptions and risk awareness, and continue to engage in constructive discussions from a medium- to long-term perspective as we set our sights on the next 100 years.

As chairman, I will continue striving to enhance the effectiveness of the Board of Directors and to build a highly transparent governance structure. I look forward to the ongoing support and understanding of all our stakeholders.

Kuraray's Steps to Strengthen Corporate Governance

2003	2008	2016	2017	2018	2020	2022	2024	2025
<ul style="list-style-type: none"> • Reduced maximum number and term of office of Directors • Introduced Executive Officer system • Increased number of Outside Members of Audit & Supervisory Board (from two to three) • Established Management Advisory Committee • Established CSR Committee 	<ul style="list-style-type: none"> • Appointed Outside Directors (two) • Started early delivery of shareholder meeting convocation notices and online English disclosure 	<ul style="list-style-type: none"> • Started evaluations of Board effectiveness 	<ul style="list-style-type: none"> • Split off Risk Management and Compliance Committee from CSR Committee 	<ul style="list-style-type: none"> • Abolished Management Advisory Committee • Established Corporate Advisory Committee as an advisory body to the Board of Directors, comprised mainly of Outside Directors and Outside Members of Audit & Supervisory Board 	<ul style="list-style-type: none"> • Increased number of Outside Directors (from three to four) More than a third of the Board of Directors 	<ul style="list-style-type: none"> • Reorganized CSR Committee into Sustainability Committee, chaired by President 	<ul style="list-style-type: none"> • Altered composition of Corporate Advisory Committee to include only Outside Directors, Outside Members of Audit & Supervisory Board and outside experts. Appointed Outside Director as chairperson 	<ul style="list-style-type: none"> • Introduced sustainability-related indicators among evaluation indicators for a portion of Directors' compensation