

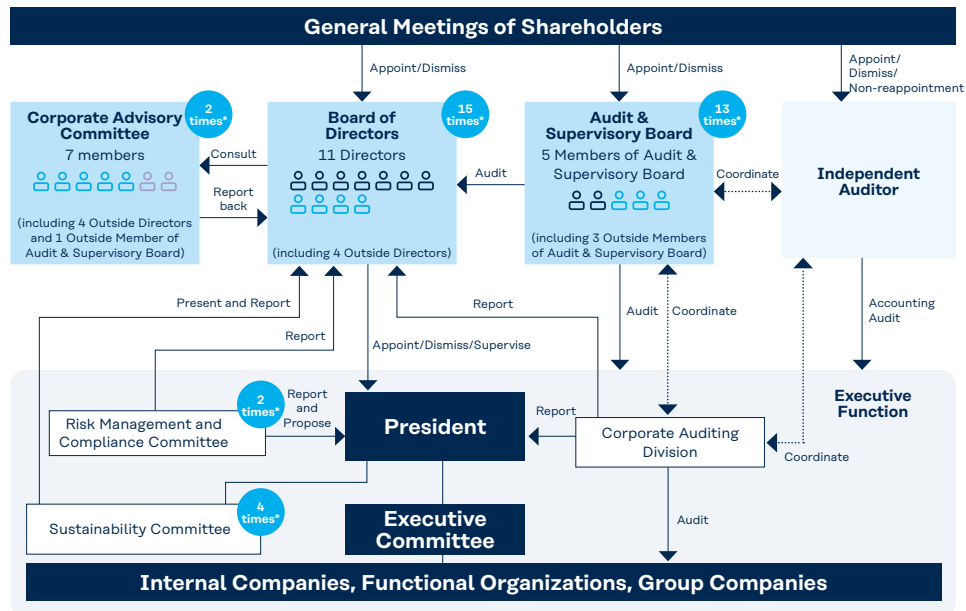
Basic Views

The Company believes that maintaining appropriate relationships with various stakeholders and fulfilling social responsibilities through establishing a corporate governance system that ensures effective and fair management will contribute to the long-term, sustainable enhancement of corporate value.

The Company has adopted the governance system of “a company with Audit & Supervisory Board.” Under this framework, the Company has established corporate governance centered on its Board of Directors and Audit & Supervisory Board to improve the effectiveness of the supervisory and monitoring function while maintaining management efficiency and to handle issues, including management compensation, selection of new company officers, internal control and risk management.

Through the above, the Company believes the effectiveness of the supervisory and monitoring function will be improved while maintaining management efficiency, contributing to the long-term and sustainable enhancement of corporate value.

Corporate Governance System (As of March 26, 2026)



* Number of times held in 2025 Internal members Outside members Outside experts

Policies and Procedures for the Election and Dismissal of Executives* and the Appointment of Candidates for Directors and Members of Audit & Supervisory Board

The Company appoints individuals who have the experience, knowledge, and capabilities required for Directors of the Company at Board of Directors meetings with the attendance of Outside Directors and Outside Members of Audit & Supervisory Board, and elects them as Directors with a resolution of the General Meeting of Shareholders. However, candidates for Outside Directors will satisfy the criteria of independence provided separately.

The Company appoints individuals who have the experience, knowledge, and capabilities required for Members of Audit & Supervisory Board of the Company at Board of Directors meetings with the attendance of Outside Directors and Outside Members of Audit & Supervisory Board, and elects them as Members of Audit & Supervisory Board with a resolution of the General Meeting of Shareholders after obtaining the consent of the Audit & Supervisory Board. However, candidates for Outside Members of Audit & Supervisory Board will satisfy the criteria of independence provided separately.

The election and dismissal of Directors and the appointment and removal of Representative Directors and Directors with special titles are determined by the Board of Directors after deliberation by the Corporate Advisory Committee.

* The Company defines executives as Directors and Members of Audit & Supervisory Board.

Succession Plan for Top Executives

We are continuously discussing a succession plan to foster future management at the meetings of the Board of Directors and the Corporate Advisory Committee with the objective of ensuring management continuity and enhancing corporate value over the medium to long term. Having clarified the experiences and skills required of top executives, we are now compiling a list of potential successors and examining ideal management structures from multiple perspectives.

In terms of development, we provide training to personnel who could become successor candidates and assign them to important positions at the department head level and above, enabling them to gain practical experience while evaluating their growth and suitability. We also create opportunities for deepening mutual understanding, such as meetings during which opinions can be exchanged, so that outside directors can gain insight into the qualities and abilities of the candidates.

Also, we regularly provide executives with the training necessary to fulfill their roles and responsibilities. For the Company’s outside directors, we provide them with information about the Group’s management circumstances and a business overview, and implement initiatives to deepen their understanding of the Group, including site visits to workplaces in Japan and overseas and meetings with employees.

Skills Matrix

The Company has a broad array of businesses globally, including resins, chemicals, activated carbon, and fibers & textiles. In light of the characteristics of each business, we believe that in order to ensure appropriate and agile decision-making and supervision over execution, the Board of Directors and Audit & Supervisory Board must demonstrate expertise and business experience in a variety of fields, as well as diversity in such terms as gender and nationality.

To ensure this, the Company has identified nine areas of knowledge, experience and expertise that are particularly expected of directors and Audit & Supervisory Board members: Corporate Management, Global, Sales and Marketing, Production and Equipment Technology, R&D, Legal Affairs and Risk Management, Finance and Accounting, Environment and Society, and Human Resources and Labor Management.

			Directors										Members of Audit & Supervisory Board						
			Hitoshi Kawahara	Keiji Taga	Masaaki Ito	Matthias Gutweiler Foreign national	Nobuhiko Takai	Tomoyuki Watanabe	Yoji Ikemori	Keiko Murata Outside Independent	Satoshi Tanaka Outside Independent	Naoko Mikami Outside Independent	Toshifumi Mikayama Outside Independent	Hiroaya Hayase	Hideo Ohi	Tomomi Yatsu Outside Independent	Kenji Komatsu Outside Independent	Nobuyuki Fujii Outside Independent	
			Male	Male	Male	Male	Male	Male	Male	Female	Male	Female	Male	Male	Female	Male	Male		
			Definition	Reasons for selection															
Knowledge, Experience of Directors and Members of Audit & Supervisory Board	Corporate Management	Expertise and extensive experience in corporate management	To achieve sustainable growth and enhance corporate value, expertise and extensive experience in corporate management are required.	○		○	○		○			○	○	○	○		○	○	
	Global	Expertise and extensive experience in overseas business and international operations	The Company operates businesses in numerous countries and regions, and as such, expertise and extensive experience sufficient to formulate strategies, make decisions, and undertake proper management from a global perspective are required.	○	○	○	○	○	○	○	○	○	○	○	○		○	○	
	Sales and Marketing	Expertise and extensive experience in sales and marketing	For the Company to provide high-value-added products and solutions that meet market needs, solve social and customer challenges, and create value in the midst of drastic changes in the business environment, expertise and extensive experience in sales and marketing are required.	○	○			○		○							○		
	Production and Equipment Technology	Expertise and extensive experience in production and equipment technologies	For the Company to put its most important guiding principle of "Safety is the cornerstone of everything we do" into practice and further strengthen manufacturing capabilities, including productivity improvements, expertise and extensive experience in production and equipment technologies are required.			○	○		○			○		○					
	R&D	Expertise and extensive experience in research and technological development	To drive the creation of new businesses through innovation and strengthen the competitiveness of existing businesses, expertise and extensive experience in research and technological development are required.			○	○		○			○	○	○					
	Legal Affairs and Risk Management	Experience as a lawyer, or expertise and extensive experience in legal affairs and risk management	To adequately comply with the laws and regulations of each country where it is engaged in global business activities, manage all types of risks, and ensure stability and sustainability in corporate activities, expertise and extensive experience in legal affairs and risk management are required.		○									○	○			○	
	Finance and Accounting	Experience as a certified public accountant or tax accountant, or expertise and extensive experience in finance and accounting	To deliver accurate financial reporting and pursue a financial strategy integrated with its management strategy, including improving capital efficiency, ensuring financial soundness, and making appropriate investment decisions, expertise and extensive experience in finance and accounting are required.		○						○				○	○			○
	Environment and Society	Expertise in environmental and social issues, and extensive experience in sustainability	To actively promote sustainability and contribute to both the natural environment and people's well-being, expertise in environmental and social issues, as well as extensive experience in sustainability, are required.								○								
	Human Resources and Labor Management	Expertise and extensive experience in human resources and labor management	To practice a style of management that emphasizes human capital, expertise and extensive experience in human resources and labor management are required.									○							

* The above table shows up to four areas of knowledge or experience possessed by Directors or Members of Audit & Supervisory Board. It does not represent all of their knowledge or experience.

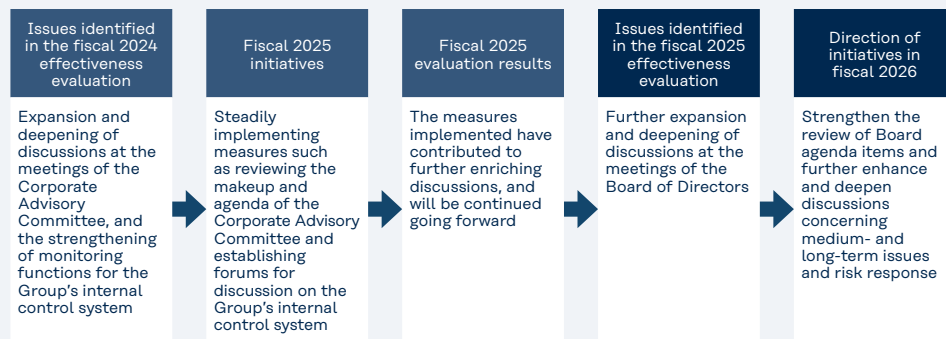
Board of Directors

The Board of Directors, which meets at least once a month, sets bylaws for the Board, deliberates and decides on statutory matters and other key management issues, and supervises business execution. The Board of Directors is chaired by the Chairman and Director. The maximum number of Directors is set at 12, to facilitate agile management decision-making by the Board, and the term of office is set at one year to clarify their responsibilities to shareholders. There are currently 11 incumbent Directors, of whom two are female and one is non-Japanese. Four are Outside Directors, who possess a wealth of experience in and broad insight into the economy, finance, and corporate management, and are responsible for supervising management from an independent, third-party standpoint.

Evaluation of the Effectiveness of the Board of Directors

Every fiscal year, the Company evaluates and verifies the effectiveness of the Board of Directors to make improvements as needed. In fiscal 2025, the Company conducted a survey of all directors and members of Audit & Supervisory Board with advice from external organizations, and, based on a report of the aggregated results, analyzed and evaluated the results at a meeting of the Board of Directors.

From the responses to the questionnaire, generally positive evaluations were received, including active discussions and the strengthening of each director's expertise, which has improved effectiveness, and it was confirmed that the effectiveness of the Board of Directors is secured. On the other hand, it was also recognized that there are issues that must be addressed to further enhance effectiveness, which will be reflected in initiatives for next fiscal year and beyond.



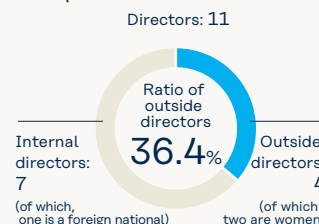
Board of Directors — Overview and Operation

Chair: Masaaki Ito,
Chairman and Director

Convened: 15 times Attendance rate: 99.4%

Composition

[Main Proposals and Reports in Fiscal 2025]



- Management plans
- Verification of significance of holding cross-held shares
- Status and operation of internal control systems
- Evaluation of the effectiveness of the Board of Directors
- Acquisition of U.S. startup
- Divestiture of non-core businesses and downsizing/ withdrawal from unprofitable businesses
- Virtual power purchase agreements (VPPA), etc.

Question Content (40 questions in total)

- Composition of the Board of Directors
- Board meeting agendas
- Operation of Board meetings
- Support system for Directors and Audit & Supervisory Board Members, etc.

Key Comments

- In the future, it will be better to have a structure where at least one internal director is female. It is imperative that personnel with skills and motivation are identified and nurtured.
- The number of non-Japanese directors should be increased to further strengthen the governance structure for overseas businesses.
- The atmosphere of the Board facilitates free discussions, and it is important that this environment continues to be valued while further deepening discussions on medium- to long-term issues and strategies.
- In light of recent international developments, deliberations that take into account steps to ensure resilience and the Company's risk measures based on changes in external environments have grown even more important.
- Depending on the topic, subcommittee meetings should be held to allow for more exhaustive discussions.
- The Company has a support system in place for directors and members of Audit & Supervisory Board so they can benefit from briefings on agenda items, site visits both in Japan and overseas, and regular dialogue with the internal audit department.
- With regard to discussions on the top executive succession plan, it will be important to further establish and enhance the process and substance going forward.

Corporate Advisory Committee

The Company has established a Corporate Advisory Committee composed of Outside Directors and Outside Members of Audit & Supervisory Board and outside experts to serve as an advisory body to the Board of Directors. The committee works to improve the transparency, fairness, and objectivity of decision-making on important management matters such as the appointment and compensation of Directors and further enhance corporate governance. Corporate Advisory Committee meetings are held twice a year in principle.

The committee consists of seven members: four Outside Directors (Ms. Keiko Murata, Mr. Satoshi Tanaka, Ms. Naoko Mikami, and Mr. Toshifumi Mikayama), one Outside Member of Audit & Supervisory Board (Ms. Tomomi Yatsu), and two outside experts (Mr. Go Egami [listed under the name Mr. Haruki Kohata] and Mr. Jun Hamano). The committee is chaired by an Outside Director.

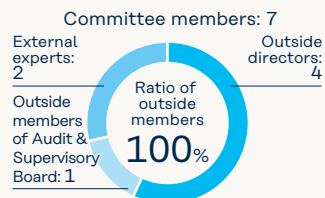
Corporate Advisory Committee — Overview and Operation

Chair: Satoshi Tanaka,
Outside Director

Convened: 2 times Attendance rate: 92.9%

[Main Discussions and Reports in Fiscal 2025]

Composition



- Compensation for directors
- Officer personnel matters
- Top executive succession planning

Risk Management and Compliance Committee

The committee, under the direct control of the President, is tasked with ensuring the appropriate management of risks that could have a significant impact on business management, thorough compliance with laws and regulations and corporate ethics, and fair business practices. The committee identifies material risks and proposes them to the President in its regular monitoring of risks for Group companies. The President then specifies those that require countermeasures as management risks and appoints a supervising officer for each risk to implement risk avoidance and mitigation measures. This committee also reports on a range of activities to the Board of Directors and incorporates their direction in future risk response measures.

Audit & Supervisory Board

The Audit & Supervisory Board consists of five Members, including three independent Outside Members of Audit & Supervisory Board. Four are male and one is female. The Audit & Supervisory Board convenes monthly, in principle. The Members of Audit & Supervisory Board meet regularly with the Independent Auditor and receive reports on audit planning, implementation status, and audit content. They also receive reports on the results of internal audits from the Corporate Auditing Division, the in-house audit department. In addition, the Members of Audit & Supervisory Board serve as corporate auditors at major Group companies and conduct Group company audits as appropriate. They also attend the periodic Group Auditor Liaison Meetings consisting of the Group company auditors to gain information on the respective companies. There are also staff to assist the Members of Audit & Supervisory Board in carrying out their duties.

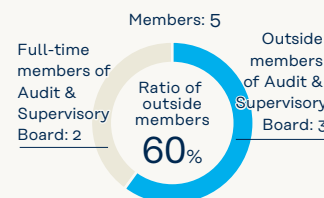
Audit & Supervisory Board — Overview and Operation

Chair: Hiroaya Hayase,
Full-time Member of
Audit & Supervisory Board

Convened: 13 times Attendance rate: 100%

[Main Topics Considered in Fiscal 2025]

Composition



- Legal compliance, compliance framework
- Quality assurance framework
- Implementation and operation status of internal control systems at various Group companies
- Response measures related to serious accidents, epidemics, natural disasters, information leaks, and other management risks
- Efforts to secure and cultivate talent for the next generation, retain talented personnel, pass on skills, heighten employee engagement, etc.

Sustainability Committee

In 2022, the Kuraray Group established a Sustainability Committee chaired by the president to replace the CSR Committee.

This committee deliberates on sustainability-related issues and response policies for the Group at the management level, makes decisions swiftly, and monitors the progress of various measures. In addition, matters deemed important by this committee are submitted to or reported to the Board of Directors for the Board's opinions to be reflected in initiatives to address sustainability issues.

Major Agenda Items for Fiscal 2025

- Virtual power purchase agreements (VPPA) in the United States
- Emissions trading scheme (GX-ETS)
- Progress of the CCUS*1 Project
- Enhancement of evaluation of environmentally friendly products using the Kuraray PSA*2 system
- Implementation of a global sustainable procurement questionnaire, etc.

*1 CCUS: Carbon Dioxide Capture, Utilization and Storage

*2 PSA: Portfolio Sustainability Assessment

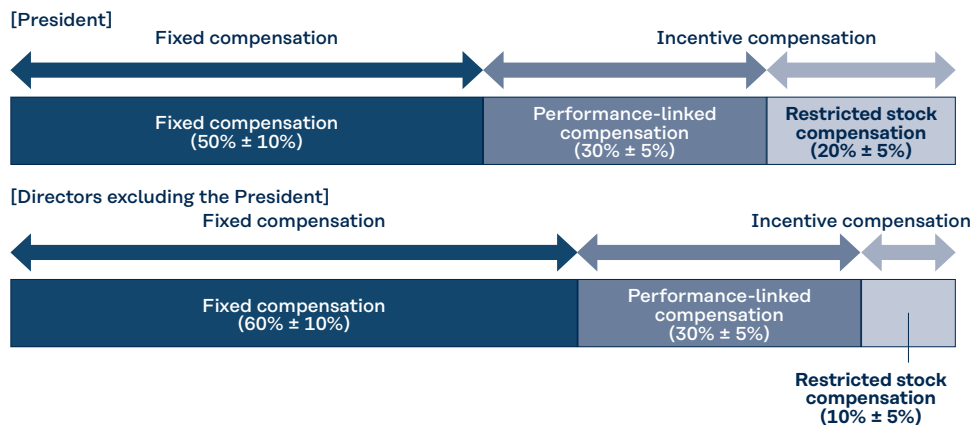
Directors' Compensation

(1) Directors' Compensation System

The Company's basic policy for the compensation of its Directors is to have a competitive level and system of compensation that can secure and retain competent Directors fit for their positions and responsibilities to achieve long-term and sustainable improvements in corporate performance and corporate value. The compensation system for Directors comprises three parts: (1) fixed compensation as basic compensation per job responsibilities, (2) performance-linked compensation as an incentive to achieve yearly business results, and (3) stock-based compensation designed to enhance corporate value over the medium to long term and sharing of value with shareholders through appropriate corporate management, provided that compensation for Outside Directors will solely comprise fixed compensation without performance-linked or stock-based compensation, as their role is to supervise management from an independent standpoint.

The specific level and system of compensation will be verified and deliberated by the Corporate Advisory Committee, made up of Outside Directors, Outside Members of Audit & Supervisory Board and outside experts, on whether the level and system of compensation are appropriate, based on the results of a survey by a specialized external research institution on Directors' compensation covering companies such as those listed on the Prime Market of the Tokyo Stock Exchange, and the salary of the managers of the highest level in the Company. The Board of Directors receives reports on the results from the Committee and gives it due consideration to determine the level and system of compensation. Details of the amount of compensation are provided in the executive compensation section of the securities report (Japanese only).

Composition of Compensation, etc. (assuming the target set at the beginning of the year is achieved)



(2) Method for Determining the Amount of Compensation (Incentives), etc.

Performance-Linked Compensation System	<p>The Company abolished the bonus scheme for Directors and introduced a performance-linked compensation system in July 2006, thereby strengthening the incentives of Directors to increase the Company's corporate value. In addition, to respond to the increase in the amount of performance-linked compensation in conjunction with improved business performance, it was resolved to increase the maximum amount of annual monetary compensation to Directors from ¥450 million to ¥800 million (including ¥100 million annually for Outside Directors) at the Company's 131st Ordinary General Meeting of Shareholders, held on June 22, 2012. Performance-linked compensation is not paid to Outside Directors.</p> <p>(Calculation Method)</p> <p>As a short-term performance incentive, the performance-linked compensation for the President will be the amount that is obtained by multiplying the amount of net income attributable to owners of the parent for the current fiscal year (before deducting performance-linked compensation [bonus]) by 0.75/1000. The performance-linked compensation for Directors will be determined by multiplying the said amount by a predetermined index corresponding to each Director's position. The amounts of performance-linked compensation paid to Directors in charge of business units will be determined so that they partially reflect the performance of the relevant business units.</p>
Restricted Stock Compensation Plan	<p>At the 140th Ordinary General Meeting of Shareholders held on March 25, 2021, the Company resolved to abolish the existing stock option plan*1 and introduce a restricted stock compensation plan, with the aim of incentivizing Internal Directors and Executive Officers to improve the Company's corporate value in a sustainable manner as well as raise the degree to which they share value with shareholders. In view of changes in the stock price since the introduction of this plan, and in light of a potential increase in the total amount of monetary compensation to be paid to eligible Directors for granting restricted stock following inclusion in the plan of evaluation based on sustainability-related indicators, at the 144th Ordinary General Meeting of Shareholders held on March 27, 2025, the Company furthermore resolved that restricted stock compensation for Directors under the plan be capped at an annual amount of ¥180 million. The number of shares to be granted under the plan will not exceed 60,000 shares each year. Restricted stock compensation is not paid to Outside Directors. Monetary compensation linked to stock price (phantom stock) has been introduced in lieu of restricted stock compensation for Directors who are non-residents of Japan.</p> <p>(Calculation Method)</p> <p>The President will be allotted a number of shares in consideration of the responsibilities of the position and the level of compensation at other companies while Directors other than the President will be allotted a designated number of shares by position, and both allotments will reflect an evaluation based on sustainability-related indicators*2 (applied within a range of ±20%).</p>

*1 The exercise of previously granted stock options held by Directors and Executive Officers on retirement will continue until such time as all Directors and Executive Officers currently holding stock options have retired.

*2 We have adopted five sustainability-related indicators: environmental contribution (achievement of GHG emissions reduction targets), occupational health and safety (achievement of targets for occupational accident frequency rate and number of safety-related incidents), diversity (improvement in the ratio of female managers), and engagement (improvement in engagement survey scores and response rates).

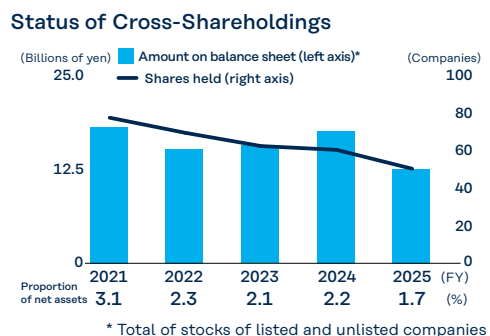
Support System for Outside Directors and Outside Members of Audit & Supervisory Board

Information is shared with Outside Directors and Outside Members of Audit & Supervisory Board by distributing and explaining in advance the proposals to be deliberated at the regular and extraordinary meetings of the Board of Directors. Staff from the Secretariat Group of the General Affairs Department assist in sharing this information with Outside Directors. Staff are appointed to assist Members of Audit & Supervisory Board, including Outside Members. Staff collect and provide information necessary for their auditing activities and offer other forms of support.

Cross-Shareholdings

From the viewpoint of stable, long-term business operations, the Company holds the shares of its business partners and other entities if maintaining and strengthening the relationships with such business partners and other entities are deemed to contribute to the enhancement of corporate value. The Board of Directors regularly verifies the economic rationality and significance of holding shares (cross-shareholdings), and seeks to sell shares, as necessary, whose holding is deemed not to be appropriate, to reduce such stocks.

In fiscal 2025, out of its cross-shareholdings in listed companies, the Company sold all shares of eight companies and a portion of shares held in two companies. This brought the ratio of cross-shareholdings to net assets to 1.7% as of the end of fiscal 2025.



Status of Dialogue with Shareholders and Investors

The Kuraray Group strives to promote constructive dialogue with shareholders and investors and disclose information in a timely and appropriate manner to achieve sustainable growth and enhance corporate value over the medium to long term. Opinions and requests received through dialogue, as well as reports from financial results briefings, are appropriately fed back to management and utilized to improve and enhance the quality of management.

Going forward, to achieve these ends, the Kuraray Group will further promote constructive dialogue with shareholders and investors in Japan and overseas, as well as with other stakeholders.

Investor Relations and Shareholder Relations Activities in 2025

Dialogue with shareholders and investors	Frequency	Status of activities
Financial results briefings	4	Held financial results briefings attended by the President and Directors and Executive Officers in charge of business divisions, the Accounting and Finance Division, and Corporate Management Planning Office (first half, year-end). Held financial results briefings attended by Directors and Executive Officers in charge of business divisions, the Accounting and Finance Division, and Corporate Management Planning Office (first quarter, third quarter)
Management briefings	2	Held management briefings attended by the President and Directors and Executive Officers in charge of business divisions, the Accounting and Finance Division, and Corporate Management Planning Office (June and December 2025)
Small meetings	2	Held small meetings with securities analysts who follow Kuraray, attended by the President and the Director in charge of the Accounting and Finance Division and Corporate Management Planning Office
Securities company conferences	6	Directors in charge of the Accounting and Finance Division and Corporate Management Planning Office and Corporate Communications Department participated in conferences for investors outside Japan Met with six to eight investors at each conference
Individual dialogue with institutional investors' proxy voting representatives	5	The President and the Director in charge of Accounting and Finance Division and Corporate Management Planning Office held dialogues with institutional investors' proxy voting representatives
Individual meetings	Securities analysts	About 50
	Institutional investors in Japan	About 100
	Institutional investors outside Japan	About 150
Total	About 300	Directors in charge of the Accounting and Finance Division and Corporate Management Planning Office and Corporate Communications Department took the lead in individual dialogues
Plant tours for analysts and institutional investors	2	Plant managers and production site managers took the lead in plant tours
IR events for individual investors	2	Held online briefings attended by the President and the senior manager of the Corporate Communications Department

Main themes and areas of interest	
Medium-Term Management Plan	<ul style="list-style-type: none"> Progress of business portfolio enhancement and future plans (timing, financial impact) Progress of innovation creation activities and new business development Capital allocation, shareholder returns, and capital policy; decision-making process and future plan for share buybacks Plan revisions, including financial targets Background of downward revision of ROE forecast and path to improvement Introduction of DOE
Environment	<ul style="list-style-type: none"> Measures to reduce GHG emissions, including Scope 3 SBT validation Profitability of products contributing to Portfolio Sustainability Assessment (PSA)
Social	<ul style="list-style-type: none"> Engagement survey Human rights due diligence Management and disclosure of human capital
Governance	<ul style="list-style-type: none"> Composition of the Board of Directors; policy for determining Director compensation Method of evaluating effectiveness of the Board of Directors Effectiveness of the Corporate Advisory Committee Disclosure of succession plan and skills matrix
Others	<ul style="list-style-type: none"> Recognition of PBR falling below 1.0x and actions for improvement Impact of tariff policies in various countries and China's anti-involution policy Background of performance deterioration in 2025; improvement of disclosure and explanation of one-time factors affecting performance ROIC management; recognition of inventory levels and initiatives to reduce them Future growth drivers; outlook for Isoprene business performance

Feedback to senior management	Frequency	Details
Report on financial results briefings	4	Reports on proceedings and Q&As of financial results briefings, etc.
Reports on status of dialogue with investors	4	Report on content of dialogue with investors, opinions, requests, etc.
Others	As needed	Reports as needed, such as on shareholder composition