

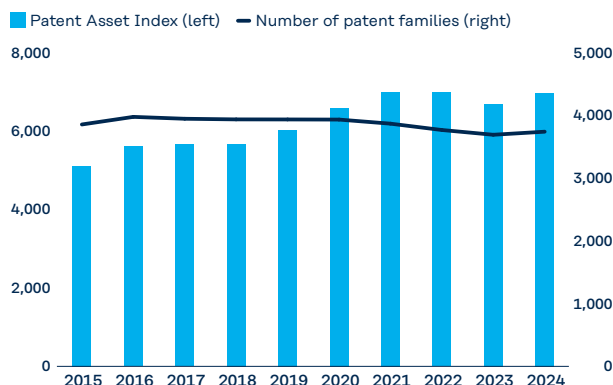
Management of Intellectual Property

Kuraray Group strategically manages intellectual property to strengthen business competitiveness and increase profits. We established the IP Management Center in January 2022 to connect business divisions with the IP division, driving the planning and promotion of IP strategies aligned with each division's business strategy. In 2025, we integrated the IP Department, responsible for strategy execution, into the IP Management Center. This reorganization aims to further strengthen our intellectual property activities by clarifying our strategy and ensuring closer alignment between strategy and execution.

Annual Evolution in Patent Index Scores

To support the globalization of our business, we have built a patent portfolio^{*1} covering the necessary countries and regions. During the 2010s, our Patent Asset Index (PAI)^{*3} score increased even as the number of patent families^{*2} remained stable. Work to globalize operations was largely complete by 2020, and we have been reorganizing our patent portfolio to adapt to changes in the business environment, while keeping the PAI score intact. Looking ahead, as we build a more sophisticated business portfolio, we will continue to carry out intellectual property activities that help realize our management strategies. By reshaping and executing our IP strategy to align with our business strategy, we aim to improve the value of our patent assets.

Patent Asset Index and Number of Patent Families (Consolidated)



Patents Related to Removal of PFAS and Other Water Contaminants

In line with our mission of improving the environment and enhancing the quality of life through our business activities, the Kuraray Group has been developing technologies for the removal of environmental pollutants. In particular, we have taken a holistic approach to effectively remove and decompose trace elements affecting drinking water safety and hygiene. We focus on removal media, usage forms, and methods to ensure effective pollutant removal according to purpose.

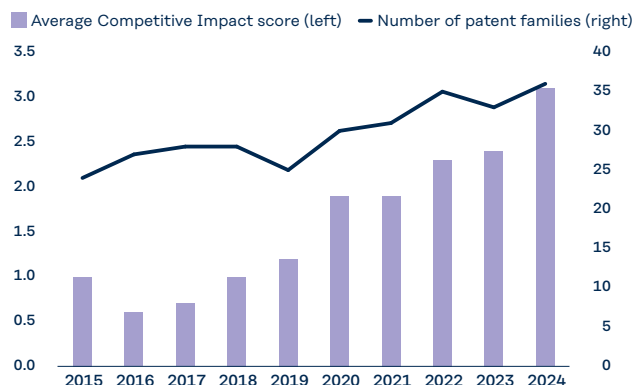
In recent years, our company's activated carbon-related technologies have won plaudits for their effectiveness against PFAS contamination; these technologies are now in widespread use, especially in the U.S. market where regulations are being tightened. It was some time ago that we applied for

and were granted several patents concerning our removal technologies, but as market needs have grown, so too has the level of attention received from other companies, resulting in a steep rise in the Competitive Impact (CI) score^{*4} per patent.

These removal technologies must reliably remove and decompose harmful substances to levels that do not affect human health, while also being economical and environmentally friendly. In advancing our intellectual property activities we must therefore consider not only the materials themselves but also their use, reactivation, reuse, and business model, in accordance with the regulations and business practices of each country.

Moving forward, we will continue to acquire and capitalize on intellectual property to support the advancement of these technologies and meet societal demands ahead of our competitors.

Average Competitive Impact Score for Patents Related to Removal of PFAS and Other Water Contaminants



Aims of Intellectual Property Department Organizational Reforms

Our company contributes to society with a unique product group centered on one-of-a-kind products. Previously, securing patent and trademark rights related to products and their manufacturing technologies formed the core of our intellectual property activity, as the unique nature of our products differentiates them from the outset. However, in the 21st century, the competitive landscape has changed significantly because of competition from emerging countries and alternative materials, and due to an accumulation of customer experience. Therefore, we are striving for more strategic intellectual property activities that extend beyond proprietary products and technologies, considering other materials and applications.

^{*1} Created by the Kuraray Group using patent analytics from the LexisNexis® PatentSight+, sourced from U.S.-based LexisNexis.

^{*2} A set of patent applications and acquisitions in multiple countries in relation to a single invention.

^{*3} An index indicating the total value of a patent portfolio, the sum of the Competitive Impact of patents held.

^{*4} An index of the competitiveness of a patent family, obtained by multiplying market coverage and technology relevance.