

Further Developing the Kuraray PSA System

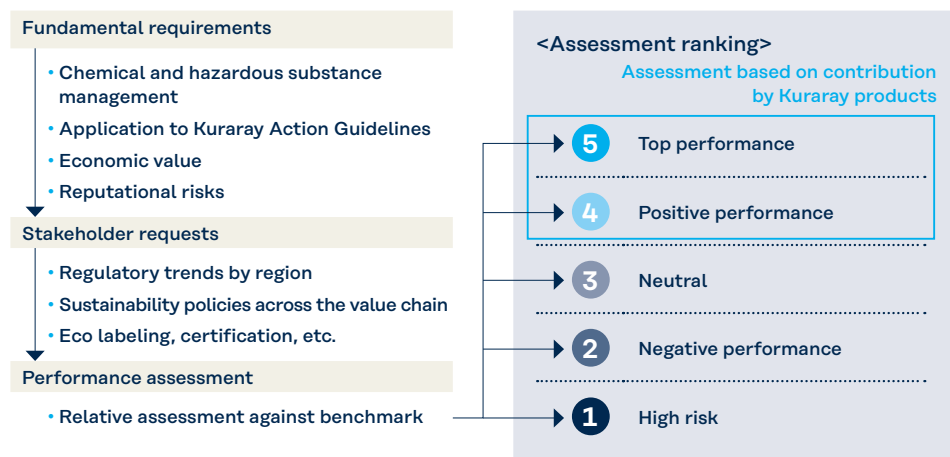
Seeking to Expand the Product Lineup from the Starting Point of Contributing to the Natural and Living Environments

The Kuraray Group has identified material issues relevant to the Company, following the steps shown at right. Among these issues, we are taking products and technologies that contribute to the natural and living environments as our starting point as we aim to create a sustainable product portfolio. To this end, we constructed the Kuraray PSA system based on the PSA guidelines of WBCSD*, which offer a consistent methodology for evaluating products with a high degree of objectivity and transparency.

Looking at products, applications, and the regions where they are used, we evaluate products using a five-point scale based on criteria such as fundamental requirements, social and regulatory trends, and comparison of contributions to the natural and living environments against benchmark products. Products receiving the two top rankings are designated as products that contribute to the natural and living environments. We will increase sales of such products Group-wide from 46% in the benchmark year of 2020 to 60% by 2026. Furthermore, we will build a more sophisticated business portfolio going forward by linking the Kuraray PSA system with business profits.

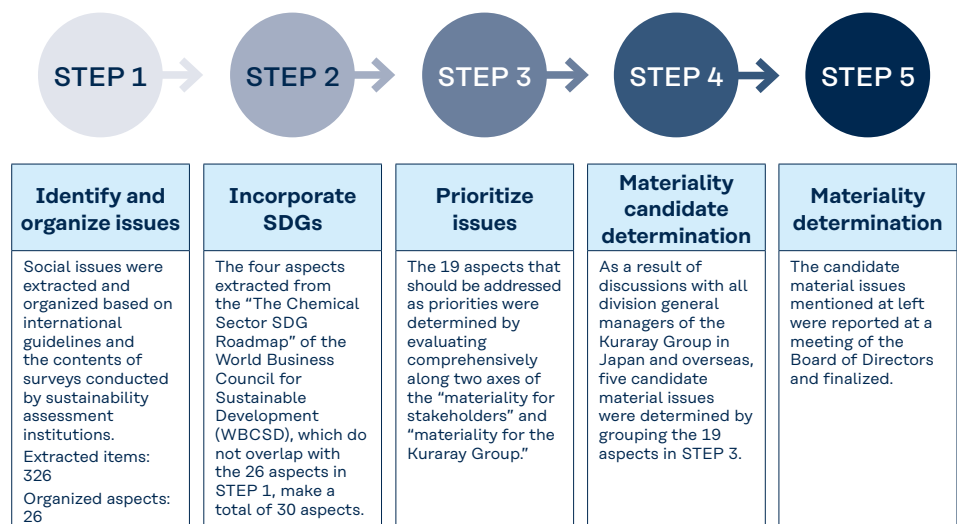
* World Business Council for Sustainable Development.

Assessment of Contribution Using Kuraray PSA System



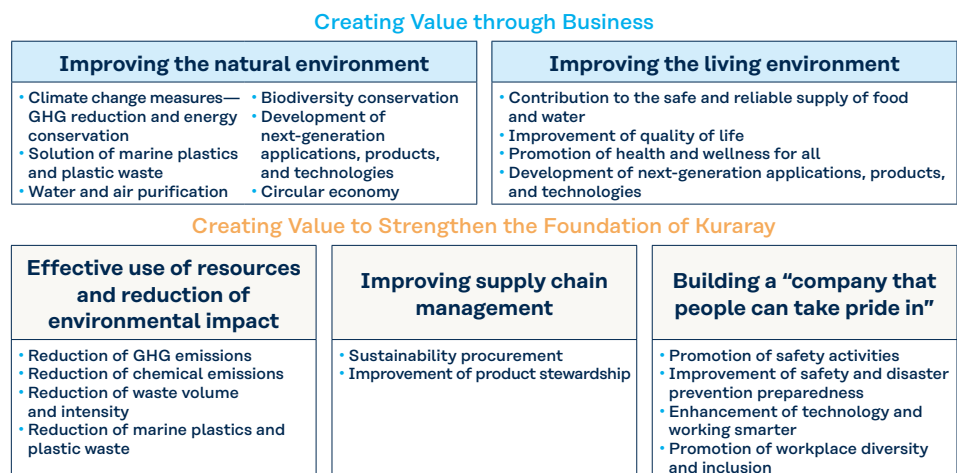
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Procedure to Identify Materiality



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Materiality of the Kuraray Group



Materiality