

Message from an Outside Director



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Outside Director
(Independent Director)
Chairman of Corporate
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I want Kuraray to continue to be a company that pursues its mission—“For people and the planet”—contributing to society and delivering satisfaction while flexibly reforming the business.

Applying a critical outsider's eye to contribute to improved management quality

Corporate governance could be described as the process of management quality control. Regardless of the company, it sometimes happens that what is taken to be normal practice within the organization is seen as irregular by the rest of society. I think the role of an outside director is to bring a third-party perspective to management oversight to keep that kind of discrepancy from creeping in.

Having myself have been involved in management in a number of companies, I know that management consists of making a series of complex and difficult decisions. It is natural for mistakes and failures to occur from time to time. The important thing is to recognize these mistakes or failures forthrightly, investigate their cause, and work out a process that

will lead to the right decision next time. The approach of Chairman Ito, who chairs the Board of Directors, and the other internal directors is to respond seriously to constructive criticism from us outside directors by presenting and executing an action plan. I believe that this approach has made a major contribution to improving the quality of the Kuraray Group's management.

Our immediate tasks are to create new businesses and further promote diversity

The Kuraray Group faces two key tasks to achieve further significant growth.

One is the creation of new businesses. There are several candidate businesses that have yet to develop into earnings sources that contribute to corporate growth. History shows, however, that even where the startup phase has been difficult, Kuraray has a record of successfully cultivating new businesses into core businesses by persevering and refusing to give up. In 2026, the final year of "PASSION 2026" which also marks Kuraray's 100th anniversary, I will be watching closely with the expectation of concrete results.

At the same time, it is also important to know when to step back. The stubborn pursuit of every business ends up with a fragmented portfolio, which is likely to impede performance. Management executives need to think carefully about the right time to withdraw from a business. As an outside director, I am also committed to being actively involved in that decision-making process.

The second task is to further promote diversity. As its overseas business has expanded, the Kuraray Group has welcomed non-Japanese directors to the management team, so I recognize that for a Japanese company it has achieved a certain degree of diversity. However, it still has very few female executives, consisting of two outside directors and one outside member of the Audit & Supervisory Board. If Kuraray

can create an environment that really empowers female employees to participate actively so as to form a critical mass* of female managers, that will increase the number of role models for the next generation. I think Kuraray will then be able to evolve as a company where women can play a more active part. In the future, I look forward to seeing more female directors rising from the ranks.

For the Kuraray Group to succeed as a truly global enterprise, it also needs to move forward more swiftly with the optimal allocation of human resources. Specifically, talented human resources should not only be sent overseas from Japan but should also be brought to Japan from overseas. This two-way system of human resource rotation will both create a sense of global unity and promote diversity. This will in turn enhance the quality of human resources and lead to sustainable growth as the company of choice for customers.

* A group can be said to have reached a critical mass when it has passed a certain point at which, although not in the majority, its presence cannot be ignored and it is able to secure the right to be heard.

I want to see Kuraray continuing to grow in line with its corporate mission statement "for people and the planet"

The Kuraray Group started out as a manufacturer of synthetic fiber, but has subsequently diversified its business portfolio dramatically. It is unlikely anyone in the early days imagined it would become the Specialty Chemical Company that it is today. That happened because, over the generations, the Kuraray Group has stuck faithfully to its mission of acting "for people and the planet," as part of which it has made flexible adaptations to its business. Going forward, I hope that Kuraray will continue to adapt in the same way, which I take to be the Kuraray way. I also want to see it develop unique "Kuraray" businesses to continue contributing to society and delivering satisfaction to its stakeholders. I will continue to support those efforts in every way I can.