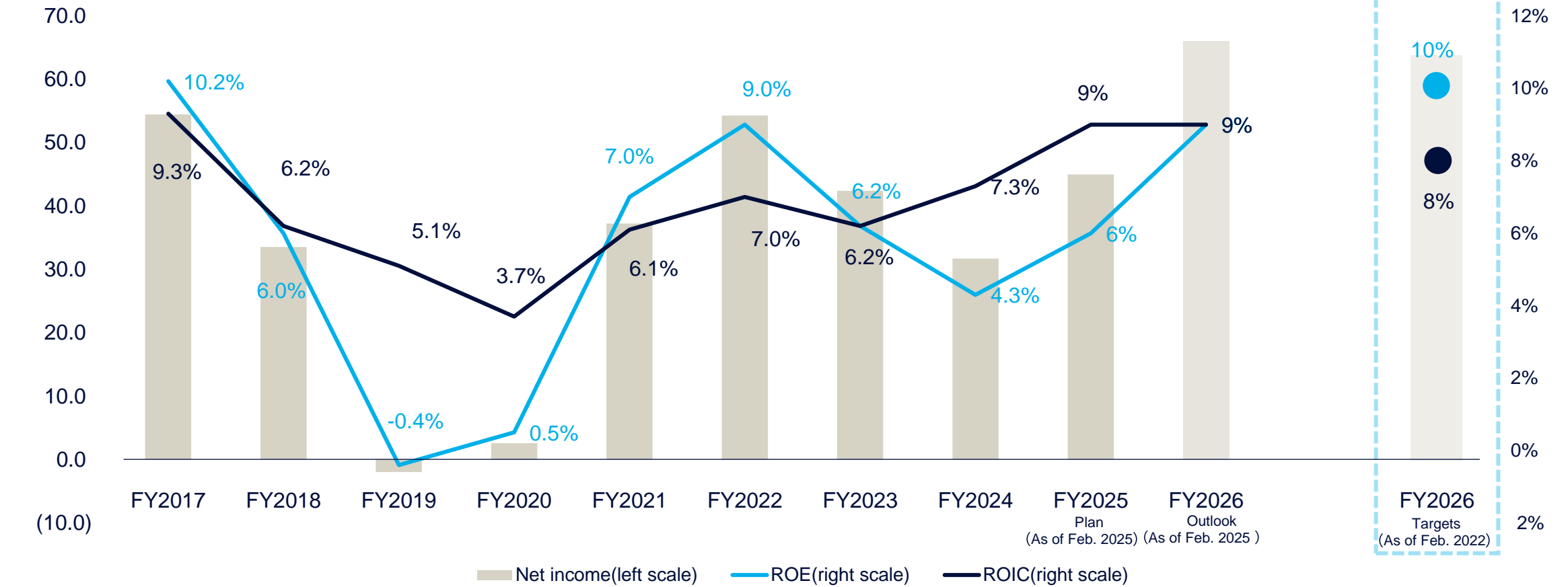


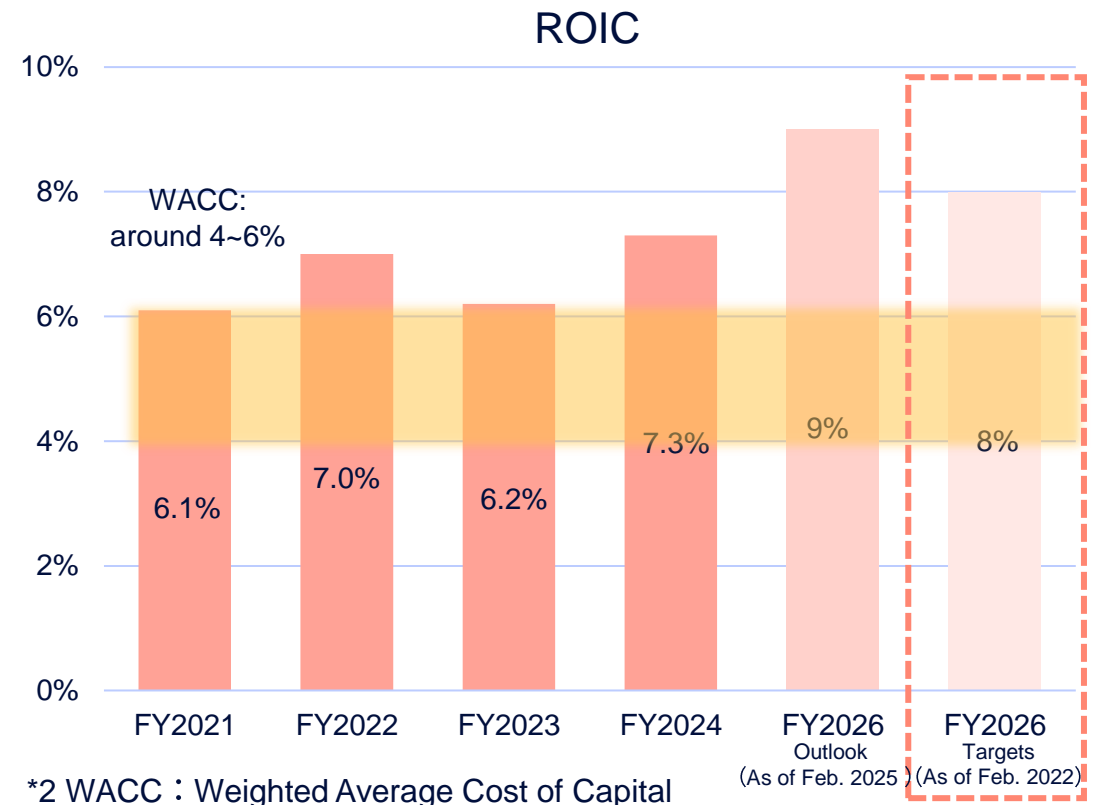
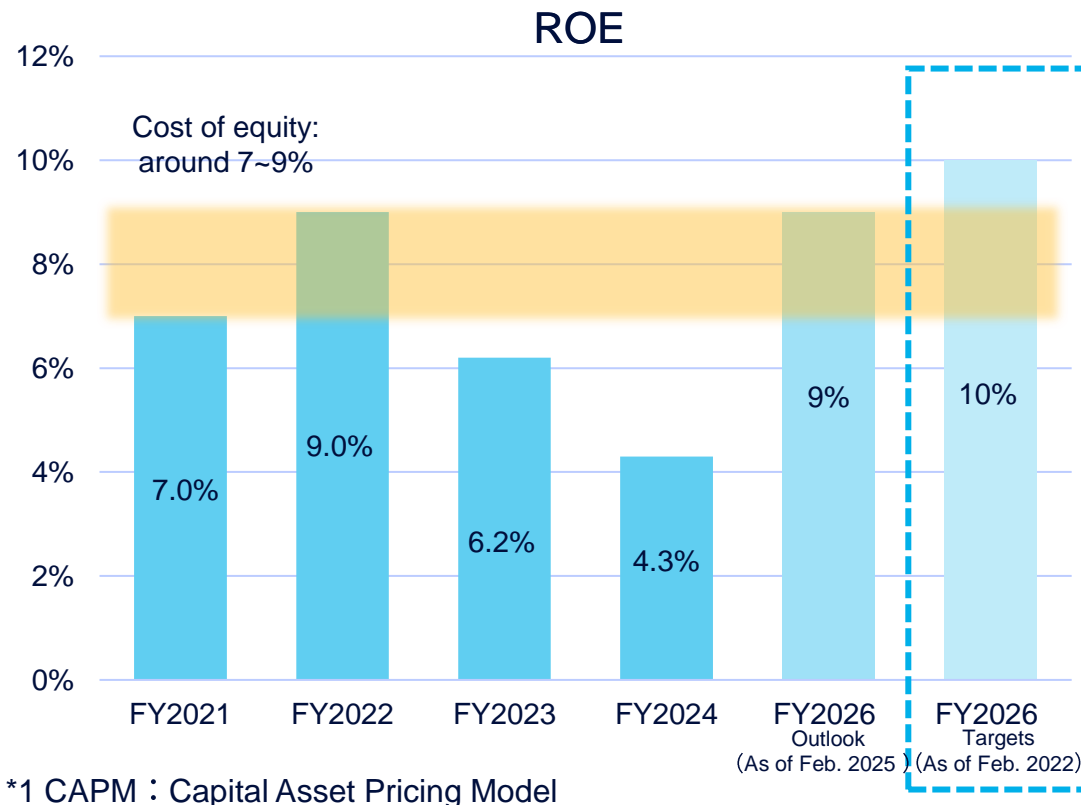
Business Performance Trends

(Billion yen)



Recognition of Current Situation

- Taking into account the discrepancy between the CAPM*1 base and market expectations, estimated cost of equity is around 7~9% and estimated WACC*2 is around 4~6%.
- In FY2024, ROE fell below the cost of equity due to the impact of one-off extraordinary losses associated with the sophistication of our business portfolio, but ROIC steadily improved.
- Expect 9% for both ROE and ROIC in FY2026. To achieve our targets, we continue our effort to further strengthen profitability and improve capital efficiency.



- Enhance corporate value by steadily implementing various measures in the Medium-Term Management Plan "PASSION 2026"

Improving capital efficiency and enhancing shareholder returns

- Enhance our portfolio by evaluating our business on the three axes of social/environmental value, economic value and market growth potential. Use ROIC to improve and enhance capital efficiency.
- Strengthen and expand businesses that we focus on allocating resources through growth investments and M&A. Implement with an awareness of investment efficiency.
- Formulated a new shareholder return policy to be applied from 2025. Enhance shareholder returns by expanding profits.

Enhance ROE to the 10% target for 2026

Creation of innovation, continuous expansion of profits, and sharing and deepening understanding of growth stories

- Accelerate the generation of innovation through our Innovation Networking Center and the R&D Division.
- Growth and expansion of EVAL™, GENESTAR™, activated carbon, dental materials businesses, etc. Improve profitability of Isoprene business and Fibers and Textiles business.
- Steady implementation of GHG emission reduction initiatives. Reflect the market value generated by natural and living environment contributing products in the selling prices.
- Share our growth story with shareholders and investors through individual dialogue and management briefings to deepen understanding within the market.

Enhance PER

- Executed large-scale capital investment and M&A for the future in growth and expansion businesses. Decided to downsize or withdraw from some businesses.
- Accelerate improvements to our business over the two years from 2025 to 2026

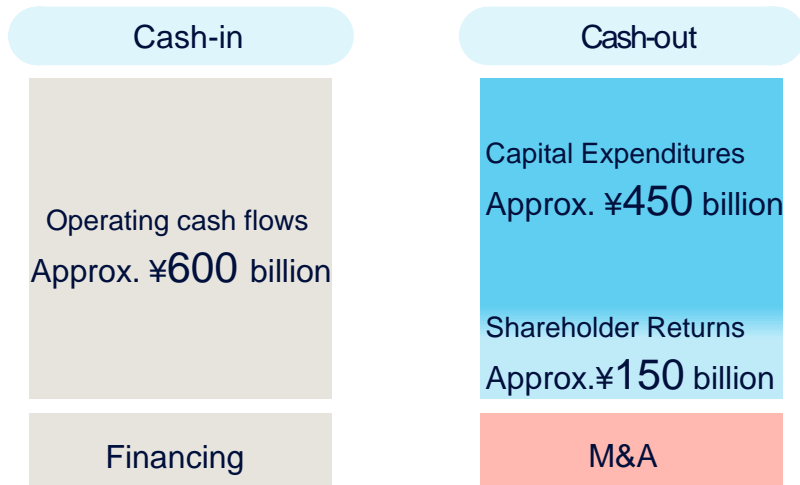
	Growth, expansion businesses	Base businesses	Developing new solutions, applications	Businesses to be optimized, structurally improved
FY 22-24	<ul style="list-style-type: none"> ✓ Increase capacity in EVAL™ (plant in the U.S. and Europe, new plant in Singapore) ✓ Expansion of dental materials (Kuraray Noritake Dental) ✓ Acquisition of activated carbon (industrial recycled carbon) business 	<ul style="list-style-type: none"> ✓ Expansion of optical-use poval film (Kurashiki) ✓ Focused investment in safety measures and maintenance and upgrading to strengthen the stable production system 	<ul style="list-style-type: none"> ✓ Establishment of a new laboratory specializing in cell culture (life innovation area) ✓ Development of sustainable raw materials including recycled ones and solutions to reduce environmental impact and promotion of market research 	<ul style="list-style-type: none"> ✓ Optimizing production capacity in the methacrylate business ✓ Restructuring the nonwoven fabric business (withdrawal from the dry-type, reduction of melt blown) <p style="font-size: small; margin-top: 10px;">Divestment or withdrawal business: Artificial marble, biocarrier for wastewater treatment, ballast water management, golf courses, bone-graft substitutes, diatomite and perlite</p> <p style="font-size: small; margin-top: 10px;">KURARITY™, Vecstar™ FCCL</p>
FY 25-26	<ul style="list-style-type: none"> • Capture demand by leveraging strengths such as product and global supply capabilities • Increase capacity (dental materials, recycled activated carbon, GENESTAR™) • Consider M&As • Strengthen stable supply system by investing in safety measures, maintenance, and renewal 	<ul style="list-style-type: none"> • Strengthen business foundation by further improvement of cost competitiveness and maintaining and upgrading facilities • Capacity increase (optical-use poval film, SentryGlas™) 	<ul style="list-style-type: none"> • Commercialization of biomass-derived battery materials • Continue to explore and develop themes that will lead to a reduction in environmental impact (micro-plastic reduction, PFAS free) 	<ul style="list-style-type: none"> • Improve earnings in Isoprene business • Improve profitability in Fibers and Textiles business

Basic Concept of Capital Policy

(Announced in Feb. 2025)

- Financial management based on an equity ratio of 50% to 60% and a D/E ratio of 0.45 or less

Cash Allocation during 5 years (2022-2026)



- Operating cash flows are used for capital investment and shareholder returns.
- M&A is assumed to be about ¥100 billion. Raise funds as needed.

Shareholder Returns Policy (Revised in Feb. 2025)

- Total return ratio: 50% or more
- Maintain and Increase dividends per share
- Share buybacks: Aim for continuous implementation

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results
Total return ratio	37%	46%	39%	119%
Annual dividends per share	¥40	¥44	¥50	¥54
Share buybacks	—	¥10 billion	—	¥20 billion

- ✓ Dividend increase for three consecutive periods.
- ✓ Acquired ¥30 billion worth of treasury stock over the three-year period from 2022 to 2024. Canceled 30 million shares in 2024.
- ✓ Established new policies for total return ratio, dividends, and share buybacks to be applied from fiscal 2025, to enhance shareholder returns.