

## Quarterly Financial Summary

Note: This is an English translation of selected parts of the Quarterly Financial Summary in Japanese and is for reference purposes only. In the event of any discrepancy between the translation and the original Japanese text, the latter will prevail.

### Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (IFRS)

May 12, 2025

**Company name:** Kureha Corporation  
**Stock listing:** Tokyo Stock Exchange  
**TSE code:** 4023  
**URL:** <https://www.kureha.co.jp/en/>  
**Representative:** Yutaka Kobayashi, President and Chief Executive Officer  
**Contact/Inquiries:** Takayuki Ogawa, General Manager, Corporate Communications Department; Phone +81-3-3249-4651  
**Scheduled date for general meeting of shareholders:** June 26, 2025  
**Scheduled date for filing securities report:** June 25, 2025  
**Scheduled date of dividend payment:** June 3, 2025  
**Supplementary materials for quarterly financial results:** Available  
**Financial results briefing:** Yes (for institutional investors and analysts)

(Figures are rounded off to the nearest million yen)

#### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

##### (1) Consolidated Operating Results

(% figures indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	162,015	(9.0)	9,428	(26.3)	10,218	(26.6)	7,896	(19.8)	7,800	(19.9)	7,666	(64.6)
March 31, 2024	177,973	(7.0)	12,800	(42.7)	13,913	(39.5)	9,843	(42.0)	9,734	(42.3)	21,649	3.4

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit to revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	149.67	149.48	3.6	3.0	5.8
March 31, 2024	173.03	172.73	4.5	4.4	7.2

(Reference) Share of profit (loss) of entities accounted for using equity method: As of March 31, 2025: (24) million yen  
As of March 31, 2024: (635) million yen

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

Basic profit per share and diluted profit per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

##### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	345,298	211,139	209,372	60.6	4,209.15
March 31, 2024	330,630	223,148	221,377	67.0	4,022.68

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

Equity attributable to owners of parent per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	29,525	(39,436)	8,437	21,500
March 31, 2024	11,601	(34,288)	12,135	23,131

### 2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	130.00	—	43.34	—	4,823	50.1	2.3
March 31, 2025	—	43.35	—	43.35	86.70	4,431	57.9	2.1
Fiscal year ending March 31, 2026 (Forecast)	—	—	—	—	—		—	

Note 1: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

The dividend at the end of the second quarter for the fiscal year ended March 31, 2024 is stated as the amount before the stock split. The dividend for the fiscal year ended March 31, 2024 is the amount after the split. The annual dividend is not shown because a simple total cannot be made due to the implementation of a stock split. Without taking the stock split into consideration, the year-end dividend would be 130.02 yen per share, and the annual dividend 260.02 yen per share.

Note 2: For the fiscal year ending March 31, 2026, the Company plans to implement dividends based on a consolidated dividend on equity (DOE) target of 5%. Consequently, the dividend per share is expected to be around 2.5 times higher compared to the fiscal year ending March 2025, based on shareholder equity that reflects the share buyback program and other factors.

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% figures indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Six months ending September 30, 2025	80,000	(2.0)	6,000	(13.8)	6,000	(19.4)	4,500	(20.4)	95.86
Fiscal year ending March 31, 2026	165,000	1.8	14,000	48.5	14,000	37.0	10,000	28.2	213.03

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation):  
None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required under IFRS: None

2) Changes in accounting policies other than those in item 1) above: None

3) Changes in accounting estimates: None

(3) Number of shares issued (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)	As of March 31, 2025	55,433,221 shares	As of March 31, 2024	58,576,221 shares
2) Number of treasury shares at the end of the period	As of March 31, 2025	5,691,026 shares	As of March 31, 2024	3,543,898 shares
3) Average number of shares outstanding during the period	Fiscal year ended March 31, 2025	52,117,292 shares	Fiscal year ended March 31, 2024	56,262,222 shares

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated on the assumption that the stock split was carried out at the beginning of the previous fiscal year.

**(Reference) Summary of Non-consolidated Financial Results****1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025****(from April 1, 2024 to March 31, 2025)****(1) Non-consolidated Operating Results**

(% figures indicate year-on-year changes)

	Revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	86,608	(9.9)	830	(89.7)	6,408	(53.2)	6,875	(32.8)
March 31, 2024	96,101	(11.2)	8,049	(29.4)	13,703	(2.1)	10,227	(16.4)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	131.93	131.76
March 31, 2024	181.78	181.46

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	%
March 31, 2025	265,297	148,095	55.8	2,974.96
March 31, 2024	243,591	162,884	66.8	2,956.56

(Reference) Equity: As of March 31, 2025: 147,980 million yen

As of March 31, 2024: 162,706 million yen

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock.

Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

\* This financial summary is outside the scope of review by certified public accountants or audit corporations.

\* Note to ensure proper use of financial forecasts, and other noteworthy matters

All forecasts and forward-looking statements in this report are based on information currently available to the Company and assumptions that are deemed to be reasonable, but Kureha Corporation does not guarantee the achievement of these forecasts. Actual results may differ significantly as a consequence of numerous factors. For more information regarding the assumptions and terms the Company applied when formulating earnings forecasts and precautions that should be taken when utilizing these earnings forecasts, please refer to “(4) Future Outlook included under the section “1. Overview of Operating Results and Outlook” on page 4 of the attached document.

(Attachment)

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1. Overview of Operating Results and Outlook  
(1) Overview of Operating Results for the Period  
(Overview of Period)

(Millions of yen)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share
Fiscal year ended March 31, 2025	162,015	9,428	10,218	7,896	7,800	149.67 yen
Fiscal year ended March 31, 2024	177,973	12,800	13,913	9,843	9,734	173.03 yen
Change	(15,958)	(3,371)	(3,695)	(1,946)	(1,934)	—

In the fiscal year ended March 31, 2025, while a modest recovery in the global economy, including Japan, was anticipated, uncertainty persisted due to concerns over the sluggish Chinese economy, prolonged conflicts in the Middle East and Ukraine, global monetary tightening, and the evolving U.S. trade policy landscape.

In response, the Kureha Group advanced sustainability-focused management aimed at balancing the enhancement of long-term corporate value with contributions to a sustainable society. In addition to its existing Kureha Group Corporate Philosophy, the Kureha Vision, the Management Policy targeting FY2030, and the Medium- to Long-term Management Plan “Toward Creating a New Future,” the Group formulated and began implementing the new Rolling Plan 2025 to address changing business conditions.

During the fiscal year, revenue declined year on year due to a decrease in sales of polyvinylidene fluoride (PVDF) for lithium-ion secondary battery binders in the Advanced Materials segment, stemming from stagnation in the electric vehicle market, as well as the termination of heat-shrink multilayer film sales in the commercial food packaging materials category of the Specialty Plastics segment during the first half of the fiscal year. Although restructuring costs recorded in the previous fiscal year declined and no impairment losses were recognized in the current fiscal year in connection with the cancellation of PVDF production facility expansion plans in China, operating profit decreased year on year due to lower sales of PVDF and a reduced gain from the reversal of inventory valuation losses on processed polyglycolic acid (PGA) products compared to the prior year.

As a result, revenue was 162,015 million yen (down 9.0% year on year), operating profit was 9,428 million yen (down 26.3%), profit before tax was 10,218 million yen (down 26.6%), profit was 7,896 million yen (down 19.8%), and profit attributable to owners of parent was 7,800 million yen (down 19.9%).

Results by segment were as follows:

(Millions of yen)

	Revenue			Operating profit		
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Advanced Materials	64,510	57,372	(7,138)	4,837	(1,991)	(6,828)
Specialty Chemicals	33,949	30,677	(3,271)	1,655	592	(1,062)
Specialty Plastics	47,328	40,528	(6,799)	8,194	7,097	(1,097)
Construction	13,948	14,842	894	1,480	1,393	(87)
Other Operations	18,237	18,593	356	2,466	2,911	445
Segment Total	177,973	162,015	(15,958)	18,634	10,002	(8,631)
Adjustments*	—	—	—	(5,834)	(574)	5,260
Consolidated Total	177,973	162,015	(15,958)	12,800	9,428	(3,371)

Note: Operating profit adjustments include other income and expenses not allocated to reportable segments. For details, refer to “Consolidated Statement of Income” under “(5) Notes to Consolidated Financial Statements.”

1) Advanced Materials

In the advanced plastics category, revenue and operating profit both declined due to lower sales of polyvinylidene fluoride (PVDF) for lithium-ion secondary battery binders, polyphenylene sulfide (PPS), and processed polyglycolic acid (PGA) products used in shale oil and gas extraction. Additionally, gains from the reversal of inventory valuation losses on PGA products were smaller than in the previous fiscal year.

In the carbon products category, although sales of bead-shaped activated carbon increased, revenue and operating profit both declined due to lower sales of heat insulating materials for high-temperature furnaces.

As a result, revenue in the Advanced Materials segment was 57,372 million yen (down 11.1% year on year), and the segment posted an operating loss of 1,991 million yen, compared with an operating profit of 4,837 million yen in the previous fiscal year.

2) Specialty Chemicals

In the agrochemicals and pharmaceuticals category, revenue and operating profit both declined due to lower sales of agricultural and horticultural fungicides as well as Kremezin, a treatment for chronic renal failure.

In the industrial chemicals category, revenue and operating profit also declined due to reduced sales of both inorganic and organic chemicals.

As a result, revenue in Specialty Chemicals was 30,677 million yen (down 9.6% year on year), and operating profit was 592 million yen (down 64.2% year on year).

3) Specialty Plastics

In the consumer goods category, although sales of Seaguar fluorocarbon fishing lines increased, revenue and operating profit both declined due to lower sales of New Krewrap plastic wrap for household use.

In the commercial food packaging materials category, revenue and operating profit both declined following the discontinuation of heat-shrink multilayer film sales during the first half of the fiscal year.

As a result, revenue in Specialty Plastics was 40,528 million yen (down 14.4% year on year), and operating profit was 7,097 million yen (down 13.4% year on year).

4) Construction

Revenue increased due to growth in both public and private-sector construction projects; however, operating profit declined as a result of changes in the sales mix.

As a result, revenue in Construction was 14,842 million yen (up 6.4% year on year), and operating profit was 1,393 million yen (down 5.9% year on year).

5) Other Operations

In the environmental engineering category, revenue and operating profit both increased due to higher volumes of waste processing.

In other businesses, revenue was on par with the previous year, but operating profit increased due to improved bed occupancy rates in the hospital operations.

As a result, revenue in Other Operations was 18,593 million yen (up 2.0% year on year), and operating profit was 2,911 million yen (up 18.0% year on year).

(2) Overview of Financial Position for the Period

Total assets as of March 31, 2025, were 345,298 million yen, an increase of 14,668 million yen from the end of the previous fiscal year. Current assets decreased by 15,126 million yen year on year to 104,774 million yen, mainly due to declines in trade and other receivables as well as inventories. Non-current assets increased by 29,794 million yen to 240,524 million yen, primarily reflecting an increase in property, plant and equipment associated with the expansion of polyvinylidene fluoride (PVDF) production facilities, despite a decrease in other financial assets following the sale of investment securities.

Total liabilities increased by 26,677 million yen from the end of the previous fiscal year to 134,159 million yen. Although provisions such as those for restructuring declined, interest-bearing debt increased by 31,107 million yen to 86,011 million yen, reflecting the issuance of bonds and additional borrowings.

Total equity decreased by 12,009 million yen from the end of the previous fiscal year to 211,039 million yen. This was due to the recording of 7,800 million yen in profit attributable to owners of parent, which was offset by 15,002 million yen in share repurchases and 4,660 million yen in dividends of surplus.

### (3) Overview of Cash Flows for the Period

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Cash flows from operating activities	11,601	29,525	17,924
Cash flows from investing activities	(34,288)	(39,436)	(5,147)
Cash flows from financing activities	12,135	8,437	(3,697)
Effect of exchange rate changes on cash and cash equivalents	1,478	(156)	(1,635)
Net increase (decrease) in cash and cash equivalents	(9,073)	(1,630)	7,443
Cash and cash equivalents at beginning of period	32,205	23,131	(9,073)
Cash and cash equivalents at end of period	23,131	21,500	(1,630)
Interest-bearing debt at end of period	54,904	86,011	31,107

Net cash provided by operating activities was 29,525 million yen, an increase of 17,924 million yen from the previous fiscal year. This was mainly due to increased cash inflows from a decrease in trade and other receivables, as well as a decline in corporate income tax payments.

Net cash used in investing activities totaled 39,436 million yen, an increase of 5,147 million yen year on year. Although proceeds from the sale of investment securities increased, outflows also rose due to higher expenditures for the acquisition of property, plant and equipment, and intangible assets.

Net cash provided by financing activities amounted to 8,437 million yen, a decrease of 3,697 million yen from the previous year. This was primarily due to increased outflows for the repurchase of treasury stock.

As a result, cash and cash equivalents at the end of the period were 21,500 million yen, down 1,630 million yen from the end of the previous fiscal year.

### (4) Future Outlook

In the Advanced Materials segment, sales of PVDF for lithium-ion secondary battery binders are currently undergoing an inventory adjustment phase due to stagnation in the EV market. However, new applications such as energy storage systems (ESS) are emerging, and we expect steady demand to continue over the medium to long term. Alongside efforts to expand sales, we will work to strengthen profitability. For PPS, while demand is expected to remain modest for the time being, particularly in automotive applications, we anticipate stable demand over the medium to long term. For polyglycolic acid (PGA) products, we will aim to expand sales and improve profitability. In the Specialty Chemicals segment, inventory adjustments are progressing for agrochemicals, which had previously been stockpiled by customers in anticipation of increased overseas demand. We expect this to lead to improved profitability. We will also continue advancing the development of new products. In the industrial chemicals business, we will focus on enhancing profitability. In the Specialty Plastics segment, demand for consumer goods is expected to remain stable. However, in the commercial food packaging materials category, profit is expected to deteriorate due to continued market stagnation and intensifying competition in Southeast Asia. In the Construction segment, we anticipate increased competition due to a decline in public works projects, as well as a reduction in plant construction projects within the Group. In the Other Operations segment, profitability is expected to be affected by a decrease in waste processing volume in the environmental engineering business and rising treatment costs driven by higher raw material and fuel prices.

For the fiscal year ending March 31, 2026, we forecast consolidated revenue of 165,000 million yen, operating profit of 14,000 million yen, profit before tax of 14,000 million yen, and profit attributable to owners of parent of 10,000 million yen.

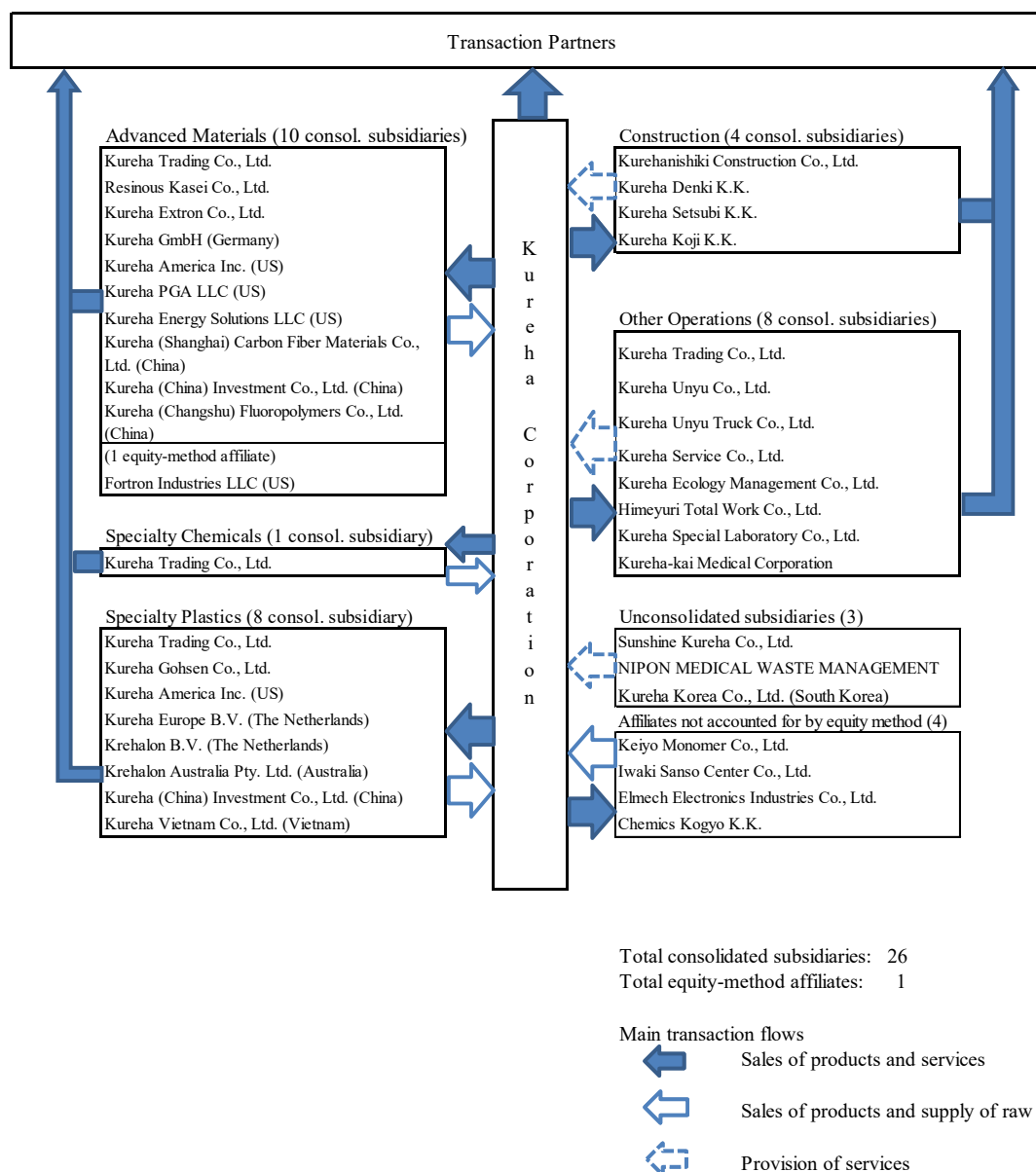
The assumed exchange rates are: ¥145/USD, ¥160/EUR, and ¥20/CNY.

### (5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

At the Board of Directors meeting held on May 12, 2025, the Company resolved to revise its dividend policy. For further details, please refer to the “Notice Regarding Change in Dividend Policy (Introduction of DOE)” announced today (May 12, 2025).

## 2. Group Companies

The Kureha Group consists of the Company, 29 subsidiaries (of which 26 are consolidated), and five affiliates (of which one is an equity-method affiliate). It manufactures and sells advanced materials, chemical materials, and specialty plastics as its core business, and also provides construction and repairs of facilities for its segments, logistics, environmental solutions, and other services.



- (Note)
1. Kureha Corporation sells the products in the Advanced Materials, Specialty Chemicals, and Specialty Plastics segments.
  2. Kureha Trading Co., Ltd., Kureha America Inc., and Kureha (China) Investment Co., Ltd. operate across several segments, and their results are therefore presented under the relevant segments.
  3. Krehalon B.V., and Krehalon Australia Pty. Ltd. in the Specialty Plastics segment are undergoing liquidation proceedings.

## 3. Basic Policy Regarding Selection of Accounting Standards

To strengthen global business development and centralized promotion of its business plans, and respond to the global expansion in its stakeholders, the Company has voluntarily adopted the International Financial Reporting Standards (IFRS) since the fiscal year ended March 31, 2017.

4. Consolidated Financial Statements and Important Notes  
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	23,131	21,500
Trade and other receivables	38,919	31,253
Income taxes receivable	1,687	—
Other financial assets	20	11
Inventories	51,245	46,734
Other current assets	4,896	5,273
Total current assets	119,900	104,774
Non-current assets		
Property, plant and equipment	140,548	173,472
Intangible assets	5,014	5,293
Investments accounted for using equity method	16,796	16,416
Other financial assets	28,782	24,696
Deferred tax assets	2,119	1,991
Retirement benefit asset	17,044	18,217
Other non-current assets	422	436
Total non-current assets	210,729	240,524
Total assets	330,630	345,298

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Current liabilities		
Trade and other payables	20,503	19,490
Bonds and borrowings	11,926	17,767
Other financial liabilities	1,627	1,612
Income taxes payable	372	2,375
Provisions	9,932	7,106
Other current liabilities	8,537	7,080
Total current liabilities	52,899	55,433
Non-current liabilities		
Bonds and borrowings	39,095	62,764
Other financial liabilities	3,330	4,961
Deferred tax liabilities	8,663	7,563
Provisions	1,321	1,271
Retirement benefit liability	279	281
Other non-current liabilities	1,891	1,884
Total non-current liabilities	54,582	78,725
Total liabilities	107,481	134,159
Equity		
Share capital	18,169	18,169
Capital surplus	14,724	14,724
Treasury shares	(9,616)	(15,842)
Retained earnings	177,300	174,432
Other components of equity	20,799	17,888
Total equity attributable to owners of parent	221,377	209,372
Non-controlling interests	1,771	1,767
Total equity	223,148	211,139
Total liabilities and equity	330,630	345,298

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Revenue	177,973	162,015
Cost of sales	126,634	119,521
Gross profit	51,339	42,493
Selling, general and administrative expenses	32,606	32,579
Share of profit (loss) of entities accounted for using equity method	(635)	(24)
Other income	1,936	1,136
Other expenses	7,232	1,597
Operating profit	12,800	9,428
Finance income	1,305	986
Finance costs	191	196
Profit before tax	13,913	10,218
Corporate income tax expenses	4,070	2,321
Profit	9,843	7,896
Profit attributable to:		
Owners of parent	9,734	7,800
Non-controlling interests	108	96
Profit	9,843	7,896
Earnings per share		
Basic earnings per share (yen)	173.03	149.67
Diluted earnings per share (yen)	172.73	149.48

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit	9,843	7,896
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	4,126	90
Remeasurements of defined benefit plans	2,843	429
Total	6,970	519
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	4,835	(601)
Share of other comprehensive income of associates accounted for using equity method	—	(149)
Total	4,835	(750)
Other comprehensive income, net of tax	11,805	(230)
Comprehensive income	21,649	7,666
Comprehensive income attributable to:		
Owners of parent	21,393	7,623
Non-controlling interests	256	42
Comprehensive income	21,649	7,666

### (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of April 1, 2023	18,169	14,724	(8,701)	178,956	171	3,468
Profit				9,734		
Other comprehensive income						4,835
Total comprehensive income	—	—	—	9,734	—	4,835
Purchase of treasury shares			(10,004)			
Cancellation of treasury shares		(19)	9,057	(9,037)		
Share-based payment transactions		19	32		5	
Dividends				(5,268)		
Transfer from other components of equity to retained earnings				2,915		
Total transactions with owners	—	—	(915)	(11,391)	5	—
Balance as of March 31, 2024	18,169	14,724	(9,616)	177,300	177	8,304

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
Balance as of April 1, 2023	8,409	—	12,050	215,199	1,574	216,774
Profit			—	9,734	108	9,843
Other comprehensive income	3,997	2,824	11,658	11,658	147	11,805
Total comprehensive income	3,997	2,824	11,658	21,393	256	21,649
Purchase of treasury shares			—	(10,004)		(10,004)
Cancellation of treasury shares			—	—		—
Share-based payment transactions			5	57		57
Dividends			—	(5,268)	(59)	(5,328)
Transfer from other components of equity to retained earnings	(90)	(2,824)	(2,915)	—		—
Total transactions with owners	(90)	(2,824)	(2,909)	(15,215)	(59)	(15,275)
Balance as of March 31, 2024	12,317	—	20,799	221,377	1,771	223,148

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	18,169	14,724	(9,616)	177,300	177	8,304
Profit				7,800		
Other comprehensive income						(750)
Total comprehensive income	—	—	—	7,800	—	(750)
Purchase of treasury shares			(15,002)			
Cancellation of treasury shares		(8,655)	8,655			
Share-based payment transactions		(23)	121		(63)	
Dividends				(4,660)		
Transfer from retained earnings to capital surplus		8,678		(8,678)		
Transfer from other components of equity to retained earnings				2,670		
Total transactions with owners	—	—	(6,226)	(10,668)	(63)	—
Balance as of March 31, 2025	18,169	14,724	(15,842)	174,432	114	7,554

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
Balance as of April 1, 2024	12,317	—	20,799	221,377	1,771	223,148
Profit			—	7,800	96	7,896
Other comprehensive income	140	432	(176)	(176)	(53)	(230)
Total comprehensive income	140	432	(176)	7,623	42	7,666
Purchase of treasury shares			—	(15,002)		(15,002)
Cancellation of treasury shares			—	—		—
Share-based payment transactions			(63)	34		34
Dividends			—	(4,660)	(46)	(4,707)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings	(2,237)	(432)	(2,670)	—		—
Total transactions with owners	(2,237)	(432)	(2,734)	(19,628)	(46)	(19,675)
Balance as of March 31, 2025	10,219	—	17,888	209,372	1,767	211,139

## (4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before tax	13,913	10,218
Depreciation and amortization	11,660	12,684
Gain on reversal of impairment losses	(946)	—
Impairment losses	1,578	—
Finance income	(807)	(849)
Finance costs	181	189
Share of loss (profit) of investments accounted for using equity method	635	24
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	1,803	694
Decrease (increase) in trade and other receivables	(5,838)	7,669
Decrease (increase) in inventories	2,323	4,416
Increase (decrease) in trade and other payables	(8,393)	(930)
Increase (decrease) in provisions	2,621	(2,896)
Increase (decrease) in retirement benefit asset or liability	(551)	(520)
Other	(1,248)	(1,633)
Subtotal	16,933	29,066
Interest and dividends received	807	849
Interest paid	(121)	(159)
Income taxes paid	(6,017)	(231)
Net cash provided by (used in) operating activities	11,601	29,525
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and intangible assets	293	862
Purchase of property, plant and equipment, and intangible assets	(32,700)	(43,837)
Proceeds from sale of investment securities	378	5,082
Purchase of investment securities	(337)	(358)
Purchase of shares of subsidiaries and associates	—	(323)
Other	(1,923)	(861)
Net cash provided by (used in) investing activities	(34,288)	(39,436)
Cash flows from financing activities		
Dividends paid	(5,268)	(4,660)
Dividends paid to non-controlling interests	(59)	(46)
Increase (decrease) in short-term borrowings and commercial papers	1,892	4,000
Proceeds from long-term borrowings	15,000	10,000
Repayments of long-term borrowings	(2,971)	(4,426)
Proceeds from issuance of bonds	19,908	19,906
Redemption of bonds	(5,000)	—
Purchase of treasury shares	(10,004)	(15,002)
Other	(1,361)	(1,333)
Net cash provided by (used in) financing activities	12,135	8,437
Effect of exchange rate changes on cash and cash equivalents	1,478	(156)
Net increase (decrease) in cash and cash equivalents	(9,073)	(1,630)
Cash and cash equivalents at beginning of period	32,205	23,131
Cash and cash equivalents at end of period	23,131	21,500

(5) Notes to Consolidated Financial Statements  
 (Notes Regarding Assumption of a Going Concern)  
 No applicable matters to report.

(Changes in Presentation Method)

(Consolidated Statement of Financial Position)

To enhance clarity of presentation, the retirement benefit asset, which was previously included under “Other non-current assets” in the previous fiscal year, has been presented separately starting from the current fiscal year. To reflect this change in presentation, the figures for the previous fiscal year have been reclassified accordingly.

As a result, 17,467 million yen previously reported under “Other non-current assets” in the consolidated statement of financial position for the prior fiscal year has been reclassified as 17,044 million yen under “Retirement benefit asset” and 422 million yen under “Other non-current assets.”

(Segment Information)

(1) Overview of Reportable Segments

The Kureha Group defines its reportable segments as components of the organization for which separate financial information is available, and which are regularly reviewed by the Board of Directors for the purpose of allocating management resources and evaluating performance. The Group organizes its operations into business divisions and subsidiaries by product and service category, and formulates and executes comprehensive strategies for both domestic and international markets. These divisions serve as the foundation for identifying reportable segments.

For disclosure purposes, multiple business segments are aggregated based on similarities in products, services, and markets, and are classified into the following five reportable segments: Advanced Materials, Specialty Chemicals, Specialty Plastics, Construction, and Other Operations.

Major products and services for each segment are as follows.

Segment	Major Products and Services
Advanced Materials	Polyphenylene sulfide (PPS), polyvinylidene fluoride (PVDF), processed polyglycolic acid (PGA) products, carbon fiber, bead-shaped activated carbon
Specialty Chemicals	Agricultural and horticultural fungicides, therapeutic agent for chronic renal failure, caustic soda, hydrochloric acid, sodium hypochlorite, monochlorobenzene, para-dichlorobenzene, ortho-dichlorobenzene
Specialty Plastics	Household plastic wrap, garbage bags for kitchen sink, plastic food containers, cooking paper, PVDF fishing lines, polyvinylidene chloride (PVDC) film, multilayer heat-shrinkable film, auto-pack machinery (for food packaging)
Construction	Civil engineering and construction contracting business, construction supervision services
Other operations	Industrial waste treatment and environmental processing facilities, physiochemical analysis, measurement, testing, and inspection services, transportation and warehousing, medical services

(2) Information on Reportable Segments

The accounting policies for the reportable segments are the same as those applied in the consolidated financial statements for the previous year. Intersegment revenue is mainly based on market prices.

The Kureha Group's segment information is as follows.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Total	Adjustments (Note)	Consolidated
Revenue								
Revenue from external customers	64,510	33,949	47,328	13,948	18,237	177,973	—	177,973
Intersegment revenue	871	260	156	9,056	6,757	17,102	(17,102)	—
Total	65,382	34,209	47,485	23,004	24,994	195,075	(17,102)	177,973
Operating profit (loss)	4,837	1,655	8,194	1,480	2,466	18,634	(5,834)	12,800
Finance income								1,305
Finance costs								(191)
Profit before tax								13,913

(Note) The adjustment to operating profit (loss) includes 537 million yen of loss resulting from the elimination of intersegment transactions, 1,936 million yen of other revenue not allocated to any reportable segment (including 946 million yen in reversal of impairment losses), and 7,232 million yen in other expenses (including 2,835 million yen in restructuring costs, 1,813 million yen in loss on sale and retirement of non-current assets, and 1,578 million yen in impairment losses).

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Total	Adjustments (Note)	Consolidated
Revenue								
Revenue from external customers	57,372	30,677	40,528	14,842	18,593	162,015	—	162,015
Intersegment revenue	1,146	239	400	7,530	6,693	16,011	(16,011)	—
Total	58,518	30,917	40,929	22,373	25,286	178,026	(16,011)	162,015
Operating profit	(1,991)	592	7,097	1,393	2,911	10,002	(574)	9,428
Finance income								986
Finance costs								(196)
Profit before tax								10,218

(Note) The adjustment to operating profit (loss) includes a loss of 113 million yen from the elimination of intersegment transactions, 1,136 million yen of other revenue not allocated to any reportable segment (including 339 million yen in gain on sale of non-current assets), and 1,597 million yen in other expenses (including 857 million yen in loss on sale and retirement of non-current assets and 176 million yen in restructuring costs).

## (Consolidated Statement of Income)

## (1) Other Revenue

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Gain on sale of non-current assets	—	339
Reversal of provision for compensation losses (Note)	—	329
Gain on subsidy revenue	335	114
Gain on reversal of impairment losses	946	—
Other	654	353
Total	1,936	1,136

(Note) The reversal of provision for compensation losses reflects a partial reversal during the current fiscal year of a provision recorded in the previous fiscal year by a consolidated subsidiary in China in anticipation of compensation claims related to the cancellation of plans to expand polyvinylidene fluoride (PVDF) production facilities.

## (2) Other Expenses

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Loss on sale and retirement of non-current assets	1,813	857
Restructuring costs	2,835	176
Impairment losses	1,578	—
Other	1,004	563
Total	7,232	1,597

(Note) Restructuring costs mainly comprise expenses associated with the termination of employment contracts of employees at consolidated subsidiaries due to the withdrawal from the heat-shrink multilayer film business in Europe.

## (3) Impairment of Non-financial Assets

## 1) Impairment Losses and Gain on Reversal of Impairment Losses

If the book value of its assets or cash-generating units exceeds the recoverable amount, the Kureha Group recognizes impairment losses.

In principle, it groups operating assets by company and segment, and assets for lease and idle assets by individual property.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less costs of disposal. Value in use is the present value of future cash flows calculated by using the pre-tax weighted average cost of capital of a cash-generating unit. Fair value less costs of disposal is evaluated either by the estimated disposal amount or the amount reasonably calculated based on assessed values of fixed assets for property tax.

Further, regarding assets for which impairment losses were recognized in prior fiscal years, the Company recognizes a gain on reversal of impairment losses when the estimated recoverable amount has changed.

In the fiscal year ended March 31, 2024, the Group recorded impairment losses totaling 1,578 million yen on property, plant and equipment and intangible assets. It also recorded gains on reversal of impairment losses totaling 946 million yen.

In the fiscal year ended March 31, 2025, the Group did not recognize any impairment losses or gains on reversal of impairment losses.

2) Recognized Impairment Losses and Gain on Reversal of Impairment Losses, and Main Events or Circumstances that Led to such Recognition

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Impairment Losses)

In line with the decision to cancel plans to expand PVFD manufacturing facilities in Changshu City, Jiangsu Province, China, the 1,578 million yen reduction is included in other expenses.

(Millions of yen)

Segments	Purpose of Use	Location	Type of Assets	Amount
Advanced Materials	Manufacturing facility	Changshu City, Jiangsu Province, China	Construction in progress	1,279
			Other	298
			Total	1,578

(Gain on reversal of impairment losses)

Of heat-shrink multilayer film manufacturing facilities for which impairment losses were recognized in the fiscal year ended March 31, 2023, the recoverable amount of the facilities expected to be sold was expected to be recovered, and this increase (946 million yen) is included in other income.

(Millions of yen)

(millions of yen)				
Segments	Purpose of Use	Location	Type of Assets	Amount
Specialty Plastics	Manufacturing facility	Deventer, Netherlands	Buildings	560
			Machinery and equipment	70
			Other	210
			Total	841
	Victoria, Australia	Buildings	29	
		Machinery and equipment	70	
		Other	6	
		Total	105	
Total			946	

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

No impairment losses or reversals were recognized.

3) Assessment of Impairment Recognition

In the fiscal year ended March 31, 2025, the Group assessed whether impairment losses were necessary for polyvinylidene fluoride (PVDF)-related assets in the Advanced Materials segment, in light of delayed demand recovery caused by stagnation in the electric vehicle market. However, as the recoverable amount based on value in use exceeded the carrying amount, no impairment losses were recognized.

(Equity and other capital items)

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Purchase of treasury stock)

The Company repurchased its own shares in accordance with a resolution of the Board of Directors meeting held on May 12, 2023. As a result, treasury stock increased by 3,531,000 shares during the fiscal year under review.

(Retirement of treasury stock)

The Company retired treasury stock in accordance with the resolution of the Board of Directors meeting held on May 12, 2023. As a result, treasury stock decreased by 3,840,000 shares during the fiscal year under review.

(Disposal of treasury stock)

On July 26, 2023, the Company disposed of treasury stock under its restricted stock compensation plan. As a result, treasury stock decreased by 13,008 shares during the fiscal year under review.

Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock. The number of shares shown above is the number of shares after the stock split.

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Purchase of treasury stock)

The Company repurchased its own shares in accordance with a resolution of the Board of Directors meeting held on May 13, 2024. As a result, treasury stock increased by 5,333,700 shares during the fiscal year under review.

(Retirement of treasury stock)

The Company retired treasury stock in accordance with the resolution of the Board of Directors meeting held on May 13, 2024. As a result, treasury stock decreased by 3,143,000 shares during the fiscal year under review.

(Disposal of treasury stock)

On May 24, 2024, and July 25, 2024, the Company disposed of 10,826 shares of treasury stock under its restricted stock compensation plan. In addition, 33,600 shares of treasury stock were disposed of upon the exercise of stock options. As a result, treasury stock decreased by 44,426 shares during the fiscal year under review.

(Per-share Data)

(1) Basis of Calculation of Basic Earnings Per Share

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Profit attributable to ordinary shareholders of parent		
Profit attributable to owners of parent	9,734	7,800
Profit not attributable to ordinary shareholders of parent	—	—
Profit used to calculate basic earnings per share	9,734	7,800

Average number of common shares outstanding during the period (shares)	56,262,222	52,117,292
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Basic earnings per share	173.03 yen	149.67 yen
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Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock. Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Basis of Calculation of Diluted Earnings Per Share

	(Millions of yen)	
	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)
Diluted profit attributable to ordinary shareholders of parent		
Profit used to calculate basic earnings per share	9,734	7,800
Profit adjustments	—	—
Profit used to calculate diluted earnings per share	9,734	7,800

Average number of common shares outstanding during the period (shares)	56,262,222	52,117,292
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Impact of dilutive effect (shares)	98,538	67,741
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After adjustment for dilutive effect (shares)	56,360,760	52,185,033
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Diluted earnings per share	172.73 yen	149.48 yen
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Note: Effective January 1, 2024, the Company conducted a three-for-one split on common stock. Diluted earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Important Subsequent Events)

(Acquisition and Cancellation of Treasury Stock)

At the meeting of the Board of Directors held on May 12, 2025, the Company resolved to acquire treasury stock pursuant to Article 156 of the Companies Act, as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act, and to cancel treasury stock pursuant to Article 178 of the Companies Act.

1. Purpose of the Acquisition and Cancellation

To enhance shareholder returns and improve capital efficiency.

2. Details of the Acquisition

- (1) Class of shares to be acquired: Common stock of the Company
- (2) Total number of shares to be acquired: Up to 5,600,000 shares  
(Equivalent to 11.26% of total shares outstanding, excluding treasury stock)
- (3) Total value of shares to be acquired: Up to 15,000,000,000 yen
- (4) Acquisition period: From May 13, 2025 to March 31, 2026

3. Details of the Cancellation

- (1) Class of shares to be cancelled: Common stock of the Company
- (2) Total number of shares to be cancelled: 5,491,000 shares
- (3) Total shares outstanding after cancellation: 49,942,221 shares
- (4) Scheduled cancellation date: June 30, 2025

(Reference)

As of March 31, 2025

Total shares outstanding (excluding treasury stock): 49,742,195 shares

Number of treasury shares: 5,691,026 shares