FY2026 1Q Financial Report

KUREHA CORPORATION

August 7, 2026

KUREHA

Contents

KUREHA

Ⅰ. FY2026 1Q Results and FY2026 Full year Forecast

Summary of FY2026 1Q Results (1)

Revenue and Profit

(billion yen)

	27/3 1Q	26/3 1Q	1Q YoY
Advanced Materials	**16.6**	15.5	1.1
Specialty Chemicals	**7.4**	5.8	1.6
Specialty Plastics	**11.1**	8.7	2.4
Construction	**2.7**	2.4	0.3
Other Operations	**4.3**	4.1	0.2
Revenue	**42.1**	36.5	5.6
Advanced Materials	**3.0**	0.1	2.9
Specialty Chemicals	**-0.1**	-0.4	0.3
Specialty Plastics	**2.4**	1.6	0.8
Construction	**0.1**	0.1	-0.1
Other Operations	**0.5**	0.4	0.1
Segment Adjustments	**0.1**	0.1	-0.0
Core Operating Profit	**5.9**	1.9	4.0
Other income and expenses	**-0.1**	0.4	-0.5
Operating Profit	**5.8**	2.3	3.5
Financial income/expenses and taxes	**-1.5**	-0.3	-1.3
Profit*	**4.3**	2.1	2.2
EBITDA	**8.7**	5.4	3.3

FY2026 1Q YoY Change

- FY2026 1Q revenue and profit increased YoY.
- Revenue increased significantly YoY mainly led by PGA (Advanced Materials), Crop Protection (Specialty Chemicals), and Home Products (Specialty Plastics).
  PGA recorded the highest sales volume in 1Q, supported by continued strong market conditions and sales expansion as seen in the previous fiscal year. Crop Protection sales increased YoY due to a shift in shipment timing. Home Products sales increased due to precautionary stockpiling by consumers amid tensions in the Middle East.
- Core operating profit increased significantly in Advanced Materials and Specialty Plastics.
  Advanced Materials profit increased due to a substantial improvement in PGA earnings, including the reversal of inventory valuation losses, and an improvement in PPS earnings, including equity-method earnings. Specialty Plastics profit increased on higher sales resulting from precautionary consumer stockpiling amid tensions in the Middle East.

FOREX	FY2026 1Q Actual	FY2025 1Q Actual	FX Sensitivity *Impact of one-yen depreciation on operating profit per FY2026
(JPY/USD)	159.6	144.6	An increase of ¥0.120bn/yr against USD
(JPY/EUR)	185.4	163.8	An increase of ¥0.020bn/yr against EUR
(JPY/CNY)	23.4	20.0	An increase of ¥0.040bn/yr against CNY

Crude Oil Price Assumptions	FY2026 1Q Actual	FY2025 1Q Actual	Crude Oil Price Sensitivity *Impact on operating proft for FY2026 (full year)
Crude oil(Brent) (USD/bbl)	95.6	66.5	Each USD1/bbl incrase: -¥0.038bn/yr

*Profit attributable to owners of parent

Core Operating Profit: Operating profit excluding non-recurring gains and losses

Summary of FY2026 1Q Results (2)

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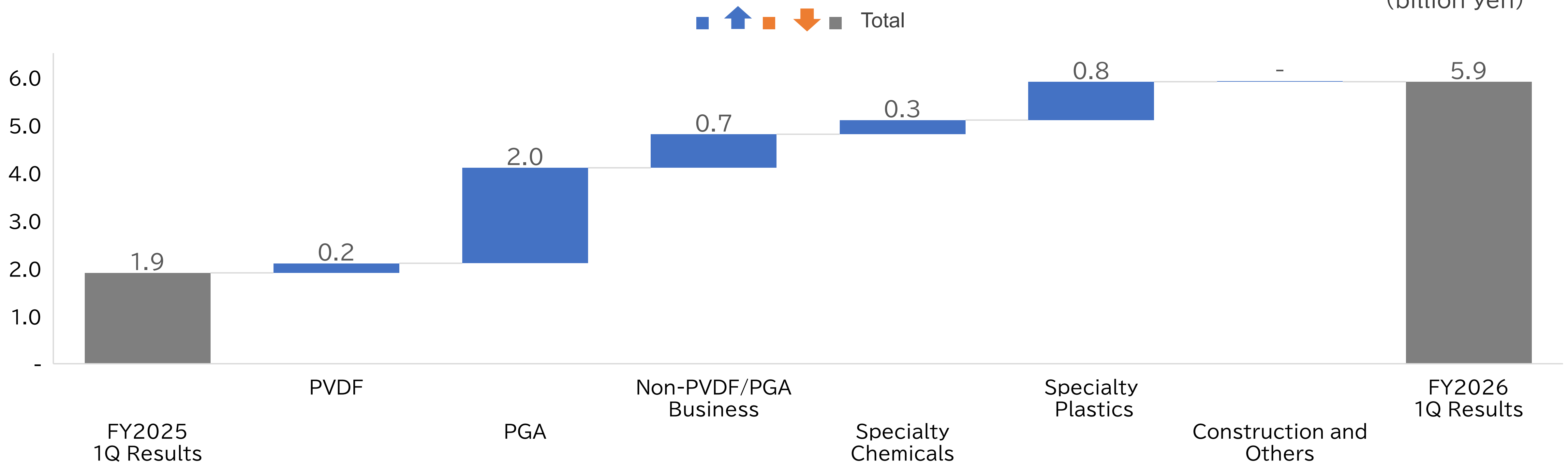
<Variance Analysis of Core Operating Profit: FY2026 1Q Results>

Advanced Materials: Higher core operating profit from substantial improvement in PGA earnings, including the reversal of inventory valuation losses, and improved PPS earnings, including equity-method earnings.
Specialty Plastics: Higher core operating profit from increased sales driven by precautionary consumer purchases amid the situation in the Middle East

YoY

(billion yen)



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Core Operating Profit: Operating profit excluding non-recurring gains and losses

Summary of FY2026 Full year Forecast (1)

Revenue and Profit

(billion yen)

	27/3 Revised Forecast 1H	27/3 Revised Forecast 2H	27/3 Revised Forecast FY	26/3 Actual FY	Diff. YoY	27/3 Initial Forecast 1H	27/3 Initial Forecast 2H	27/3 Initial Forecast FY	Diff. YoY
Advanced Materials	33.0	31.0	64.0	61.3	2.7	32.5	32.0	64.5	-0.5
Specialty Chemicals	15.5	16.0	31.5	29.5	2.0	13.5	16.5	30.0	1.5
Specialty Plastics	20.5	20.0	40.5	36.7	3.8	20.0	20.5	40.5	-
Construction	8.5	11.0	19.5	16.0	3.5	9.0	10.5	19.5	-
Other Operations	8.0	9.5	17.5	18.2	-0.7	8.5	9.0	17.5	-
Revenue	85.5	87.5	173.0	161.7	11.3	83.5	88.5	172.0	1.0
Advanced Materials	2.4	-0.3	2.1	2.1	-0.0	1.4	0.1	1.5	0.6
Specialty Chemicals	0.4	0.7	1.1	1.4	-0.3	-0.6	0.8	0.2	0.9
Specialty Plastics	3.5	2.8	6.3	6.9	-0.6	3.0	3.0	6.0	0.3
Construction	0.3	0.5	0.8	1.5	-0.7	0.3	0.5	0.8	-
Other Operations	0.9	0.8	1.7	2.6	-0.9	0.4	1.1	1.5	0.2
Core Operating Profit	7.5	4.5	12.0	14.5	-2.5	4.5	5.5	10.0	2.0
Other income and expenses	-	-1.0	-1.0	-33.1	32.1	-	1.0	1.0	-2.0
Operating Profit	7.5	3.5	11.0	-18.6	29.6	4.5	6.5	11.0	-
Financial revenue and taxes	-2.5	-1.0	-3.5	7.9	-11.4	-1.5	-2.0	-3.5	-
Profit*	5.0	2.5	7.5	-10.7	18.2	3.0	4.5	7.5	-
EBITDA	13.1	9.9	23.0	30.2	-7.2	10.1	12.9	23.0	-

FY2026 1H and Full year Forecast Revisions

<FY2026 1H Forecast Revisions>

- Revenue has been revised upward mainly due to a shift in the shipment timing of Crop Protection (Specialty Chemicals).
  Core operating profit has been revised upward, reflecting higher Crop Protection sales and increased equity method earnings.
  Operating profit and profit attributable to owners of parent have been revised upward accordingly.
- The interim dividend remains unchanged from the original plan.

<FY2026 Full year Forecast Revisions>

- Revenue has been revised upward, mainly due to price revisions for Industrial Chemicals (Specialty Chemicals).
  Core operating profit has been revised upward, reflecting improved profitability in Industrial Chemicals and higher equity-method earnings.
- Operating profit, profit before income taxes, and profit attributable to owners of parent remain unchanged from the forecasts announced on May 12, 2026, considering potential changes in the business environment, a possible review of the business portfolio, and potential fixed-asset-related expenses.

FOREX	FY2026 1Q Actual	FY2026 2Q-4Q	FY2025 FY Actual	FX Sensitivity *Impact of one-yen depreciation on operating profit per FY2026
(JPY/USD)	159.6	155.0	150.7	An increase of ¥0.120bn/yr against USD
(JPY/EUR)	185.4	180.0	174.6	An increase of ¥0.020bn/yr against EUR
(JPY/CNY)	23.4	22.0	21.2	An increase of ¥0.040bn/yr against CNY

Crude Oil Price Assumptions	FY2026 1Q Actual	FY2026 2Q-4Q	FY2025 FY Actual	Crude Oil Price Sensitivity *Impact on operating profit for FY 2026 (full year)
Crude oil(Brent) (USD/bbl)	96	100	70	Each USD1/bbl increase: -¥0.038bn/yr

*Profit attributable to owners of parent
Core Operating Profit: Operating profit excluding non-recurring gains and losses

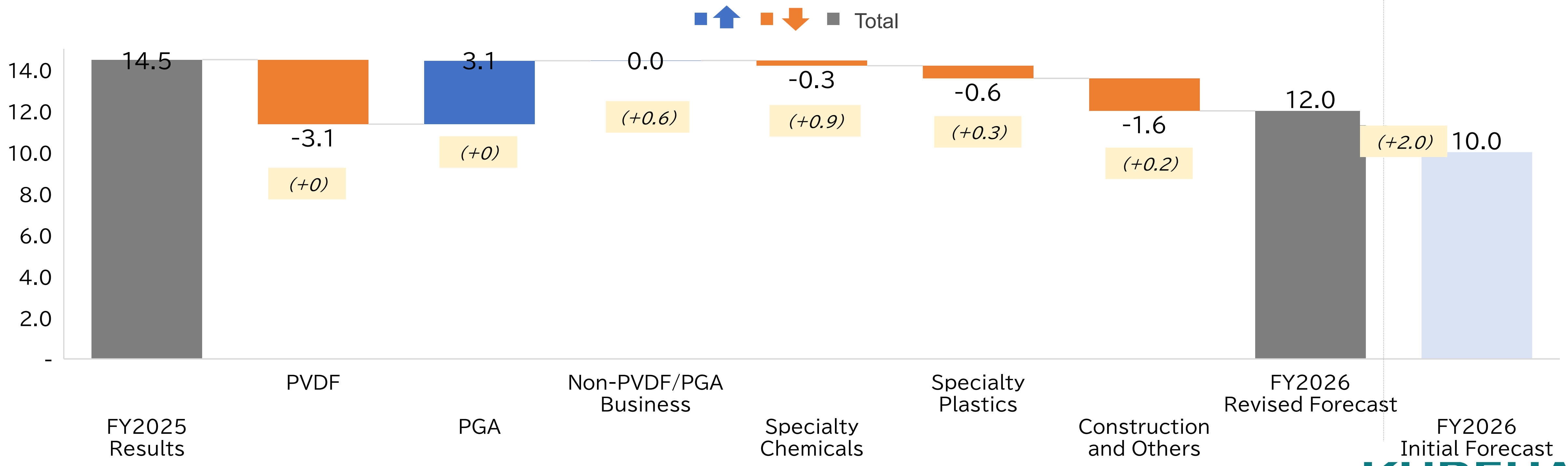
Summary of FY2026 Full year Forecast (2)

<Variance Analysis of Core Operating Profit: FY2026 Full year Forecast>

Compared with FY2025, overall core operating profit is expected to decline as lower profits in PVDF, Home Products, Construction, and Environmental businesses offset strong growth in the PGA.
On the other hand, core operating profit is expected to improve by ¥2.0 billion from the ¥10.0 billion forecast announced on May 12, 2026.

YoY *Figures in () indicate changes from the forecast announced on May 12, 2026 forecast*

(billion yen)



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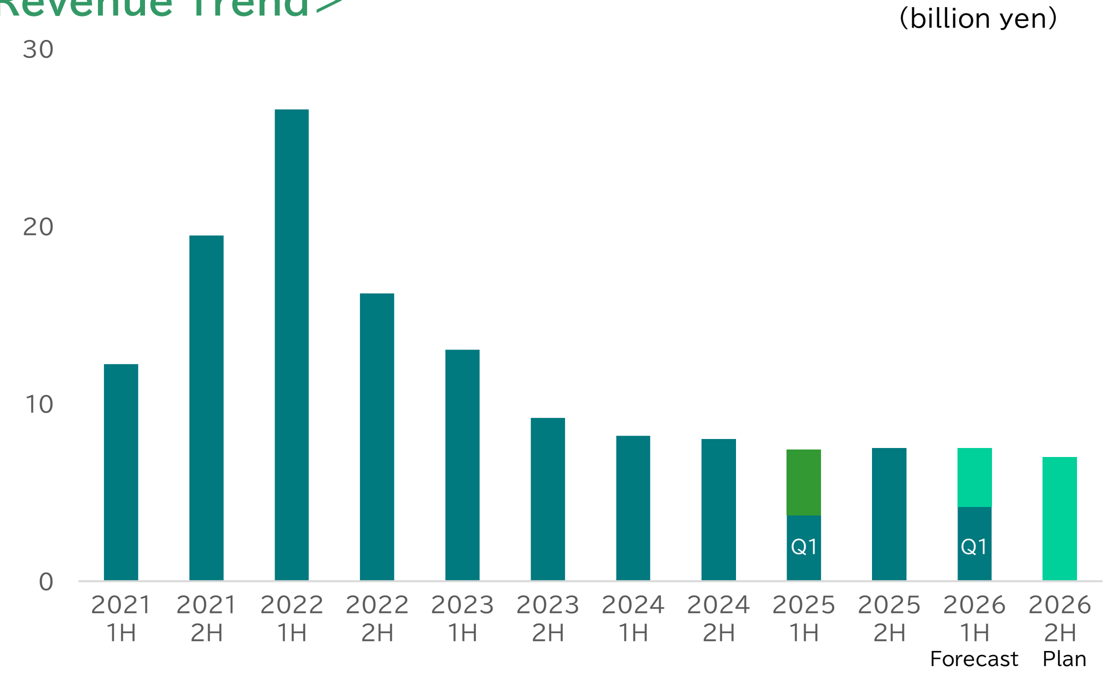
Core Operating Profit: Operating profit excluding non-recurring gains and losses

PVDF Business

<Market Overview>

- We continue to expect LiB demand for automotive applications to expand over the medium to long term. In the short term, while U.S. market remains stagnant, EV subsidy programs have been reinstated in Germany, France, Spain.
- LiB Demand for ESS applications is expected to expand due to growing demand from data centers. LiB manufacturers are shifting production toward ESS applications in response to sluggish EV markets in Europe and North America.

<Revenue Trend>



<Profit and Loss Summary>

- In 1Q, sales volume and sales value for ESS applications both exceeded the previous year.
  However, relative to our initial plan, while automotive applications sales exceeded expectations, ESS applications sales declined significantly, causing both sales volume and sales value to fall below plan.
  Possible factors behind the stronger automotive applications sales include heightened geopolitical risks and the reinstatement of EV subsidy programs in Europe. However, it remains too early to conclude that the market has returned to a sustained recovery.
- ESS applications sales are expected to decline from 2Q onward due to changes in product mix at certain customer who had been purchasing existing grade. As a result, the ESS applications share of total PVDF volume, initially expected to reach nearly 30%, may remain approximately 15%. We aim to secure new projects through the development of new high-value-added LFP grades, while reassessing carefully our sales plans for 2Q and beyond.
- Although we have not revised our initial profit forecast at this time, given stronger-than-expected sales for automotive applications and progress on existing projects, we will carefully review both automotive and ESS applications sales plan.

<Progress of Initiatives>

- The capacity expansion at the Iwaki Factory was completed in April 2026. We plan to capitalize some of the equipment from 2H of FY2026. (No change from the initial plan)
- Several customers are currently evaluating new, high-value-added LFP grades for ESS and EV applications.
- Our existing grades have been provisionally selected by a new mid-sized LiB manufacturer in China. Sales volume is expected to increase from next fiscal year and onward.

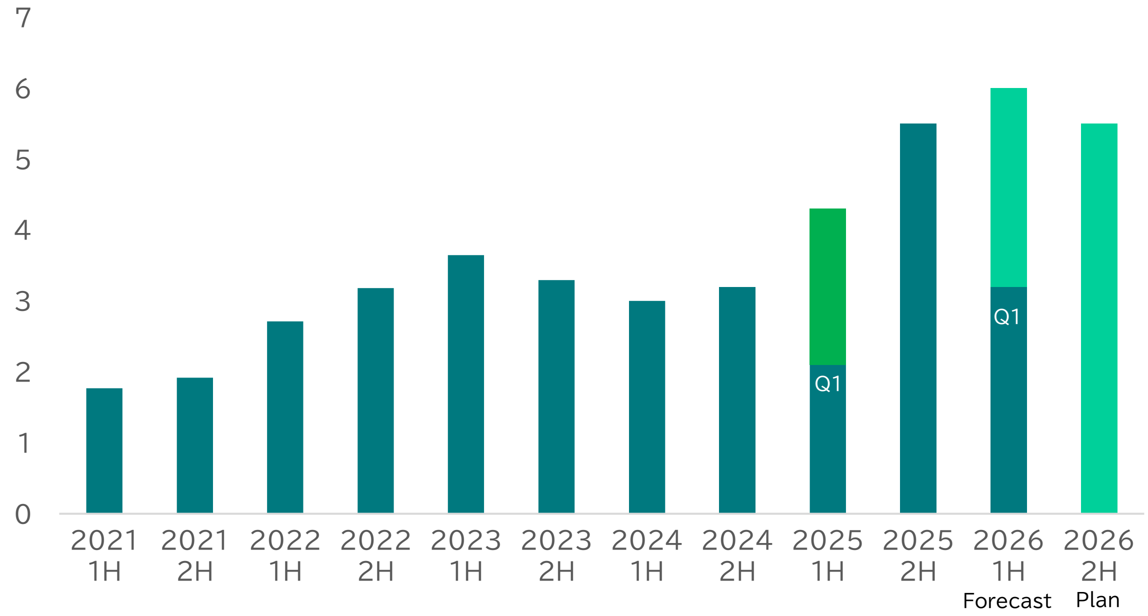
PGA Business

<Market Overview>

- The natural gas market has remained robust, supported by strong demand for natural gas for data center power generation and increased LNG export capacity, while production activity in gas field (high-temperature) remains strong.
- The rise in oil prices following the escalation of tensions in the Middle East could increase the number of completed wells. Although we are closely monitoring developments, no significant short-term changes have been observed at this time.

<Revenue Trend>

(billion yen)



<Profit and Loss Summary>

- PGA recorded the highest sales volume in 1Q, supported by continued strong market conditions and sales expansion as seen in the previous fiscal year. Core operating profit increased mainly due to the reversal of inventory valuation losses.
- Resin production in the U.S. plant started as planned in April. After securing sufficient resin for current sales, we stopped production earlier than scheduled. The next production run is scheduled to start in September.
- Although we expect sales to remain strong in 2Q and beyond, we have changed our policy to prioritize production and sales of products for mid-to-high-temperature applications throughout FY2026 in order to manage our resin inventory.
- Annual revenue and profit forecasts remain unchanged at this time.

<Progress of Initiatives>

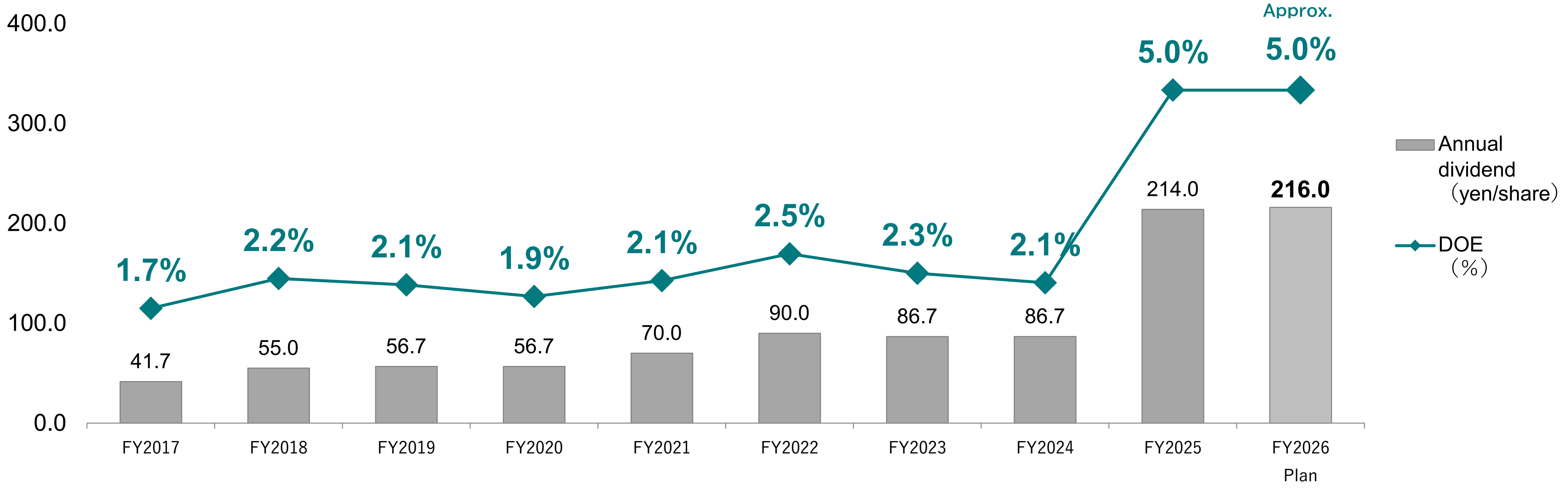
- Although customer evaluations of low- and ultra-low-temperature grades are progressing through field trials, sales to existing mid- to high-temperature customers will be prioritized due to resin inventory constraints. As a result, full-scale sales of these grades are scheduled to begin in FY2027 or later.
- The transition to shorter plugs is progressing smoothly, with adoption reaching about 70% in 1Q. We expect to achieve the FY2026 annual target of 80%.
- Although U.S. resin production has improved, more time is needed to confirm stable operations.
- We will initiate a fundamental review of the business structure if the business fails to return to profitability in FY2026.

Shareholder Returns

※ Reprinted from the disclosure material disclosed on May 12, 2026

Our basic policy for profit allocation is to pay stable dividends while enhancing internal reserves that contribute to active investment for future business development.
We plan to maintain DOE of 5% from FY2027 and beyond
If business conditions change more significantly than expected, or if we make growth investments beyond current expectations, we will flexibly revise the DOE-based dividend ratio.

＜Annual dividend per share and DOE＞



The Company conducted a three-to-one share split on January 1, 2024. All figures in this chart are presented on a post-split basis of January 2024.

Ⅱ. Supplementary Materials

1. FY2026 1Q Results
2. FY2026 Full year Forecast
3. Key Metrics

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Segment Performance

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Advanced Materials

	FY2026 1Q	FY2025 1Q	Diff. Amount	Diff. %
PVDF	4.2	3.7	0.5	13%
PGA	3.2	2.1	1.1	51%
Others	3.6	3.9	-0.3	-8%
Advanced Plastics	**11.0**	9.7	1.3	13%
Carbon Products	**2.0**	2.1	-0.1	-5%
Others	**3.7**	3.7	-0.0	-1%
Revenue	**16.6**	15.5	1.1	7%
Core Operating Profit	**3.0**	0.1	2.9	2809%

Specialty Chemicals

(billion yen)

	FY2026 1Q	FY2025 1Q	Diff, Amount	Diff, %
Crop Protection	1.8	0.7	1.0	142%
Pharmaceuticals	0.7	0.5	0.2	42%
Life Sciences	**2.5**	1.2	1.2	102%
Industrial Chemicals	**2.4**	2.2	0.2	11%
Others	**2.5**	2.4	0.1	4%
Revenue	**7.4**	5.8	1.6	27%
Core Operating Profit	**-0.1**	-0.4	0.3	-68%

<YoY: Higher Revenue and Profit>

Advanced Materials

Revenue increased due to higher PVDF shipments for ESS applications and increased PGA sales.
Core Operating Profit increased mainly due to improved PPS earnings, including equity-method earnings, and the reversal of inventory valuation losses on PGA.

<YoY: Higher Revenue and Profit>

Crop Protection and Pharmaceuticals

Revenue and Core Operating Profit increased mainly due to higher Crop Protection sales reflecting a shift in shipment timing.

Industrial Chemicals

Revenue increased in organic chemicals, but Core Operating Profit declined due to higher raw material prices.(The impact of price pass-through is expected to reflected from 2Q onward.)

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Core Operating Profit: Operating profit excluding non-recurring gains and losses

Segment Performance

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Specialty Plastics

	FY2026 1Q	FY2025 1Q	Diff. Amount	Diff. %
Home Products	**7.3**	5.2	2.1	40%
Fishing Lines	**1.6**	1.5	0.1	8%
Packaging materials	**1.0**	1.0	0.1	9%
Others	**1.2**	1.1	0.1	13%
Revenue	**11.1**	8.7	2.4	28%
Core Operating Profit	**2.4**	1.6	0.8	52%

<YoY; Higher Revenue and Profit>

Home Products

Revenue and profit increased due to higher sales of NEW Krewrap, household plastic wrap, driven by consumers' stockpiling purchases amid the situation in the Middle East.

Construction

(billion yen)

	FY2026 1Q	FY2025 1Q	Diff. Amount	Diff. %
Revenue	**2.7**	2.4	0.3	11%
Core Operating Profit	**0.1**	0.1	-0.1	-46%

Other Operations

	FY2026 1Q	FY2025 1Q	Diff. Amount	Diff. %
Environment Engineering	**2.8**	2.6	0.2	9%
Logistics	**0.4**	0.4	-0.0	-5%
Hospital Operation	**1.1**	1.1	0.0	0%
Others	**0.1**	0.1	-0.0	-12%
Revenue	**4.3**	4.1	0.2	5%
Core Operating Profit	**0.5**	0.4	0.1	22%

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Core Operating Profit: Operating profit excluding non-recurring gains and losses

Financial Position

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Assets

	Jun.30, 2026	Mar.31, 2026	Diff.
Cash and cash Equivalents	**30.1**	29.7	0.4
Trade and other receivables	**28.2**	32.6	-4.3
Inventories	**45.1**	43.4	1.7
Other current assets	**5.2**	5.2	0.1
Total current assets	108.6	110.9	-2.2
Property, plant and equipment	**149.9**	147.1	2.8
Intangible assets	**4.7**	4.9	-0.2
Investments and other assets	**80.2**	75.6	4.6
Total non-current assets	234.8	227.6	7.2
Total Assets	**343.4**	**338.4**	**5.0**

Liabilites and Equity (billion yen)

	Jun.30, 2026	Mar.31, 2026	Diff.	
Trades and other payables	**21.1**	21.0	0.1	
Interest-bearing debt	**127.9**	124.2	3.6	
Provisions	**6.3**	7.9	-1.6	
Other liabilities	**16.9**	18.1	-1.2	
Total Liabilities	**172.2**	**171.3**	**0.9**	
Shareholders’ equity	**18.2**	18.2	-	
Capital surplus	**14.7**	14.7	-	※1
Treasury stock	**-6.4**	-37.3	30.9	※2
Retained earnings	**115.6**	145.4	-29.8	※3
Other components of equity	**27.1**	24.3	2.8	
Non-controlling interests	**2.0**	1.9	0.1	
Total Equity	**171.2**	**167.2**	**4.0**	
Total Liabilities and Equity	**343.4**	**338.4**	**5.0**	

※1 … Treasury stock disposal -30.9, Transfer from retained earnings +30.9
※2 … Treasury stock disposal +30.9
※3 … Transfer to capital surplus -30.9, Net profit +4.3, Dividend -4.0

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Cash Flow Results

(billion yen)

	FY2026 1Q	FY2025 1Q	Diff.	
Profit before income tax	5.9	2.8	3.0	
Depreciation and amortization	2.9	3.1	-0.2	
Other	-1.2	0.2	-1.4	※1
Cash flow from operating activities	**7.5**	**6.1**	**1.4**	
Cash flow from investing activities	**-6.9**	**-4.2**	**-2.8**	※2
Free cash flow	0.6	1.9	-1.4	
Cash flow from financing activities	**-0.7**	**-1.3**	**0.6**	※3
Effect of exhange rate change on cash and cash equivalents	0.5	-0.3	0.8	
Increase/decrease in cash and cash equivalents	0.4	0.4	0.0	
Cash and cash equivalents at beginning of period	29.7	21.5	8.2	
Cash and cash equivalents at end of period	30.1	21.9	8.2	

※1 … Increase in equity-method investment gain (non-cash item) -1.0

※2 … PVDF Capacity Expansion -2.1

※3 … Short-term borrowing -31.7
Commercial paper -5.0
Increase in dividends paid -1.8
Acquisition of treasury stock +39.1

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Ⅱ. Supplementary Materials

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3. Key Metrics

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Segment Performance

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Advanced Materials

	FY2026 Forecast	FY2025 Actual	Diff. Amount	%
PVDF	14.5	14.9	-0.4	-2%
PGA	11.5	9.8	1.7	17%
Others	16.0	14.9	1.1	7%
Advanced Plastics	**42.0**	39.6	2.4	6%
Carbon Products	**8.5**	7.9	0.6	8%
Otehrs	**13.5**	13.8	-0.3	-2%
Revenue	**64.0**	61.3	2.7	4%
Core Operating Profit	**2.1**	2.1	-0.0	-2%

<YoY: Higher revenue, flat profit>

Advanced Materials

Revenue: expected to increase led by higher sales of PGA and PPS.

Profit: Flat YoY. Although PGA turned to profitability, overall Core Operating Profit remains flat due to a decline in PVDF earnings caused by the start of depreciation related to capacity expansion at Iwaki Factory, as well as the absence of the reversal of inventory valuation losses seen in the previous fiscal year..

Specialty Chemicals

(billion yen)

	FY2026 Forecast	FY2025 Actual	Diff. Amount	%
Crop protection	8.0	7.2	0.8	10%
Pharmaceuticals	3.0	3.3	-0.3	-9%
Life Sciences	**11.0**	10.5	0.5	4%
Industrial Chemicals	**11.0**	9.2	1.8	19%
Others	**9.5**	9.7	-0.2	-2%
Revenue	**31.5**	29.5	2.0	7%
Core Operating Profit	**1.1**	1.4	-0.3	-19%

<YoY: Higher revenue, lower profit>

Crop Protection and Pharmaceuticals

Although revenue from Crop Protection expected to increase, Core Operating Profit declined due to higher R&D expenses.

Industrial Chemicals

Revenue expected to increase following the implementation of price pass through for higher raw material and fuel costs.

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Core Operating Profit: Operating profit excluding non-recurring gains and losses

Segment Performance

Specialty Plastics

	FY2026 Forecast	FY2025 Actual	Diff. Amount	Diff. %
Home Products	**24.5**	22.7	1.8	8%
Fishing Lines	**6.5**	5.8	0.7	11%
Packaging Materials	**5.0**	3.9	1.1	27%
Others	**4.5**	4.3	0.2	6%
Revenue	**40.5**	36.7	3.8	10%
Core Operating Profit	**6.3**	6.9	-0.6	-9%

<YoY: Higher Revenue and Lower Profit>
Home Products and Fishing Lines
Revenue expected to increase on higher sales of NEW Krewrap and Seaguar fishing lines, but Core Operating Profit would decline due to higher sales promotional expenses, raw material and fuel costs.

<YoY; Lower Revenue and Profit>
Environment Engineering
Revenue and Core Operating Profit expected to decline as the number of low-concentration PCB waste treatment projects decreases ahead of the end-of-FY2026 treatment deadline.

Construction

(billion yen)

	FY2026 Forecast	FY2025 Actual	Diff. Amount	Diff. %
Revenue	**19.5**	16.0	3.5	22%
Core Operating Profit	**0.8**	1.5	-0.7	-48%

Other Operations

	FY2026 Forecast	FY2025 Actual	Diff. Amount	Diff. %
Environment Engineering	**11.5**	12.0	-0.5	-4%
Logistics	**1.0**	1.5	-0.5	-33%
Hospital Operation	**4.5**	4.3	0.2	4%
Others	**0.5**	0.4	0.1	30%
Revenue	**17.5**	18.2	-0.7	-4%
Core Operating Profit	**1.7**	2.6	-0.9	-34%

Core Operating Profit: Operating profit excluding non-recurring gains and losses

Ⅱ. Supplementary Materials

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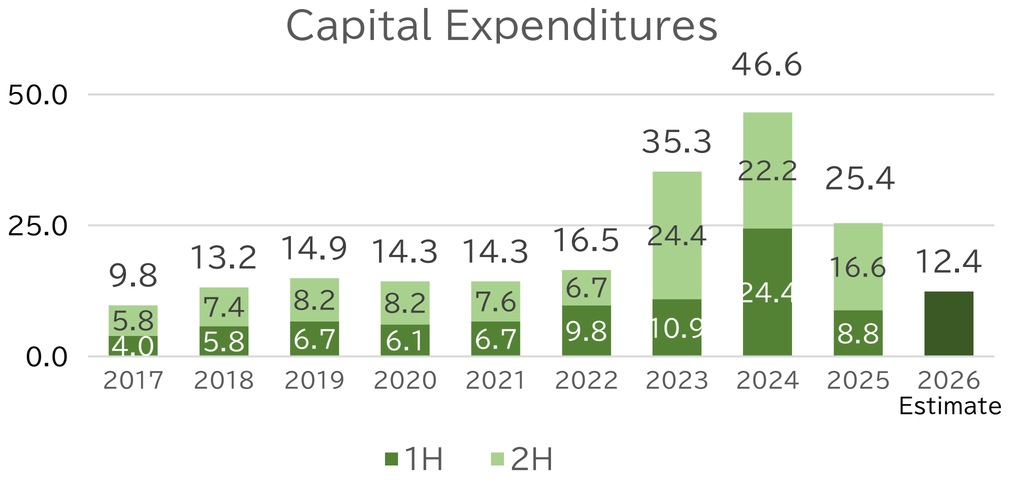
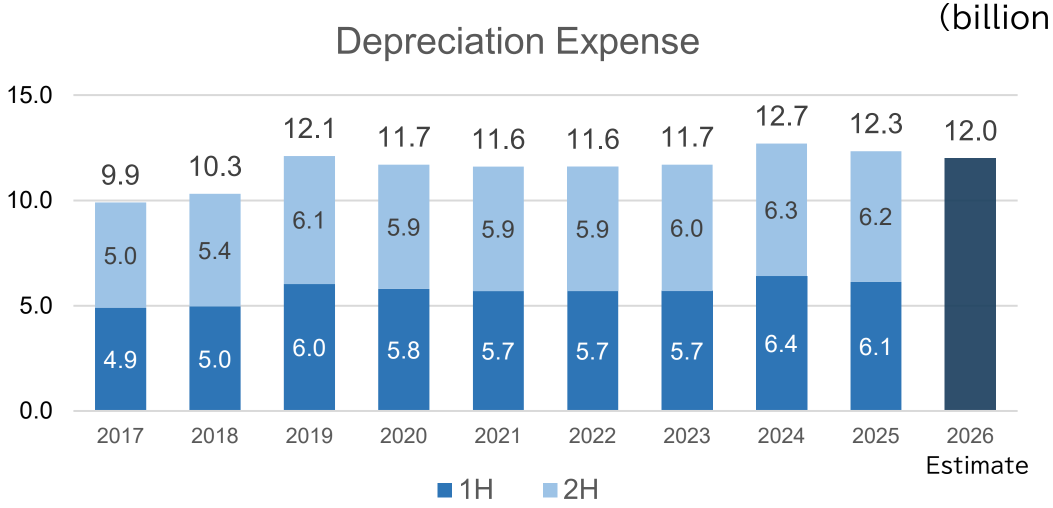
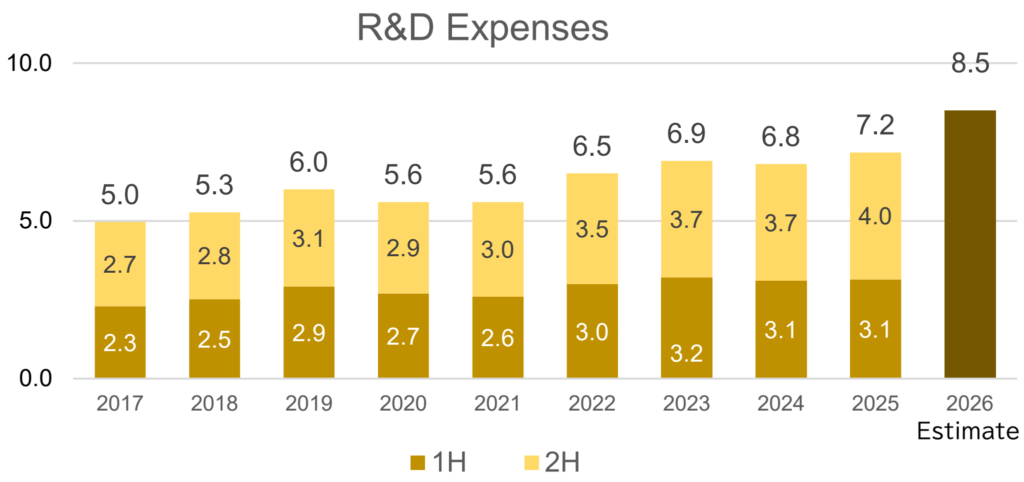
Key Metrics (1)

(billion yen)







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Key Metrics (2)

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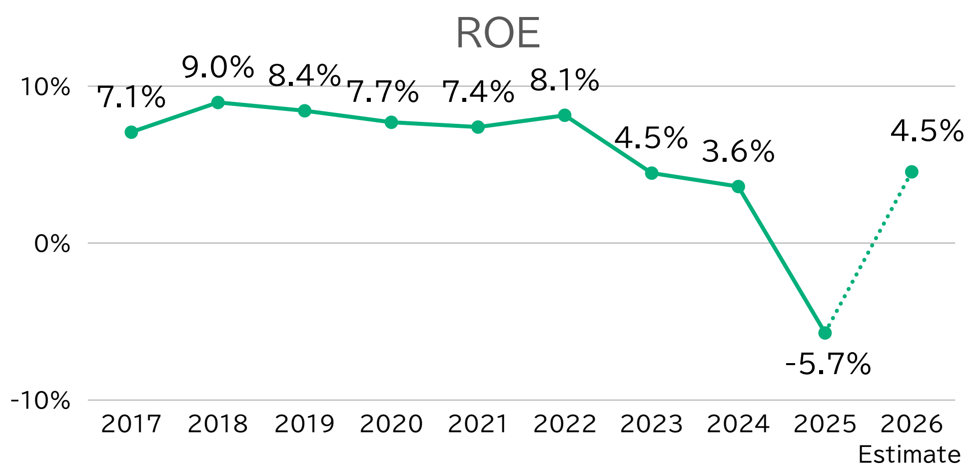

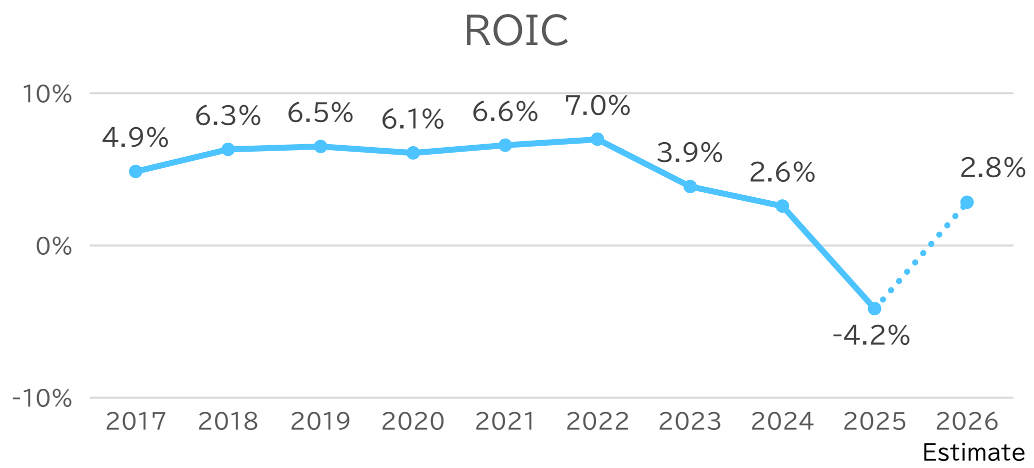

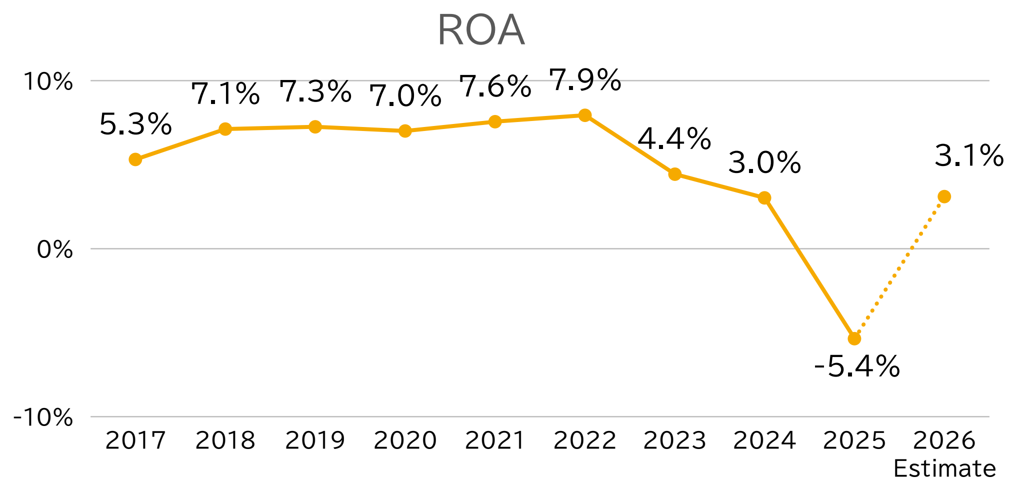

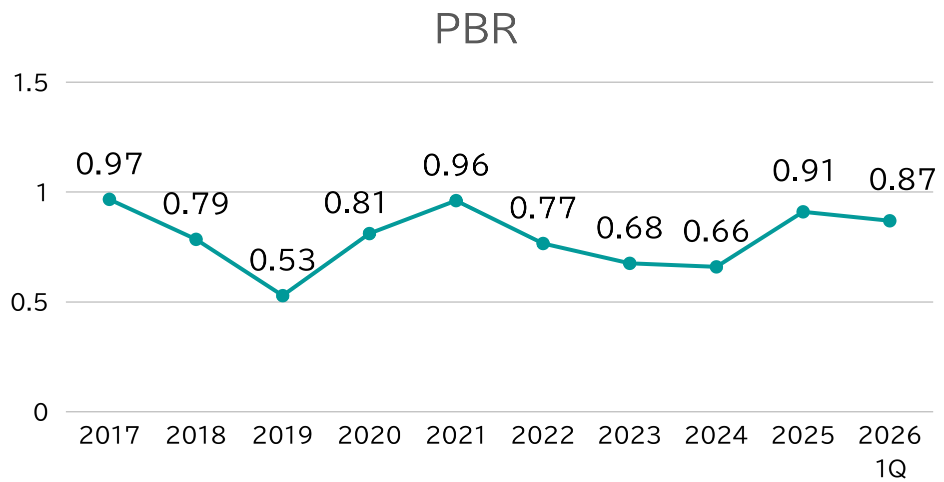

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Key Metrics (3)

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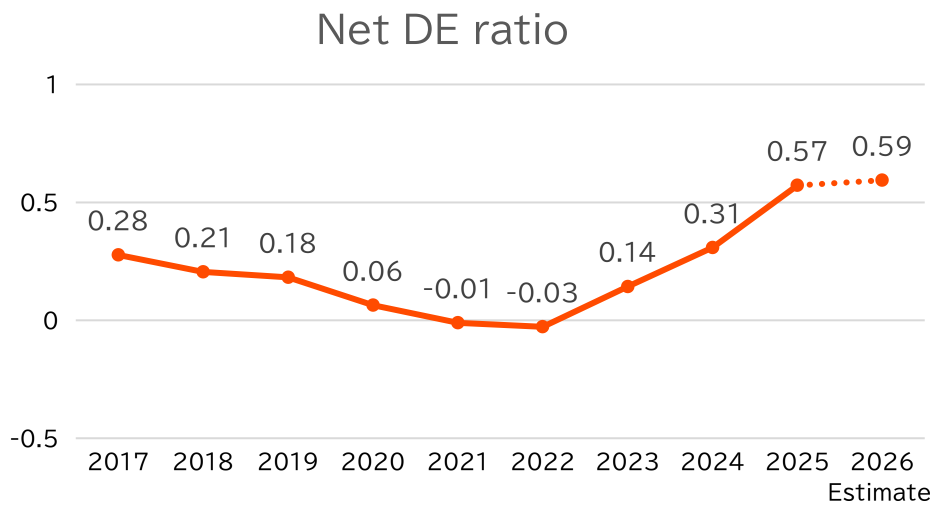

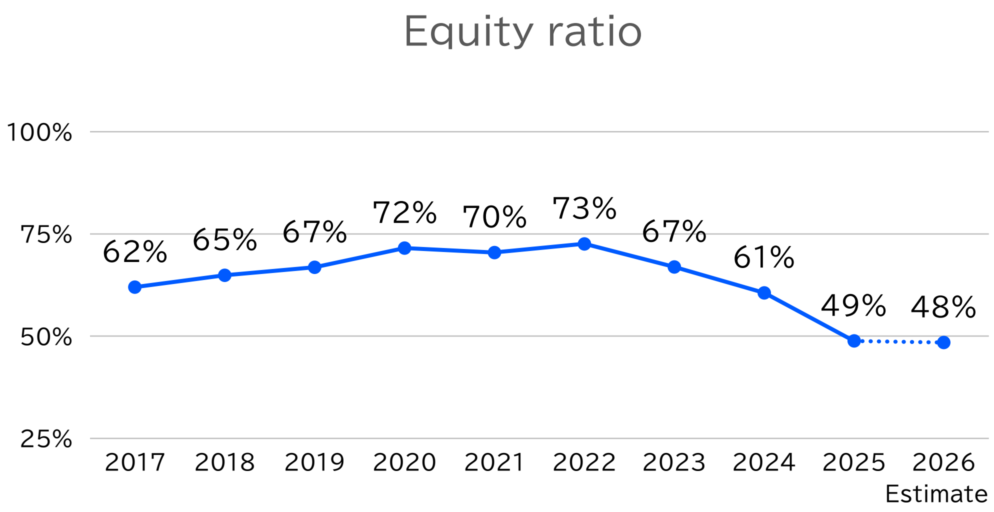

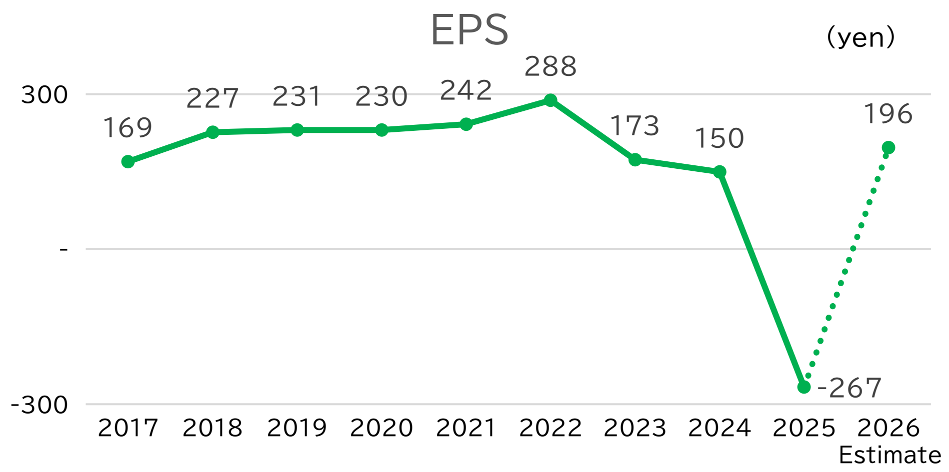

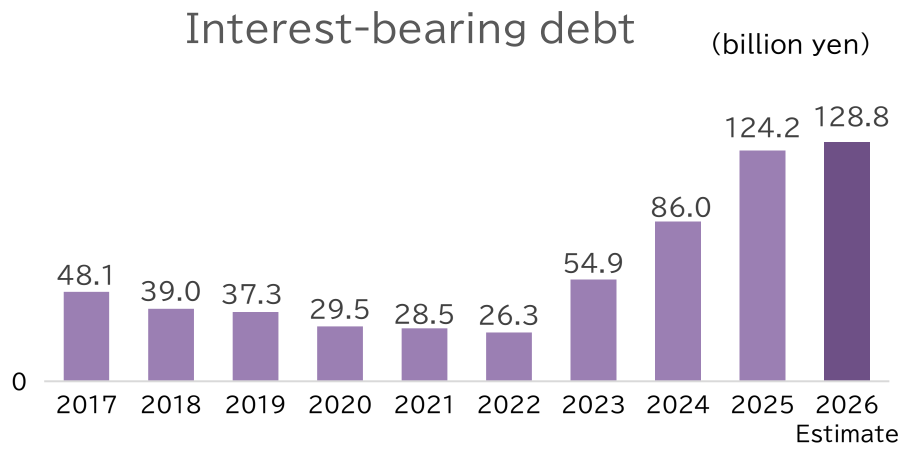

Figures for FY2022 and earlier are presented to reflect the 3–for-1 stock split Implemented on January 1, 2024.

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