

Kureha Group

FY2035 Long-Term Management Plan

- Technology to Value -

Mid-Term Management Plan (FY2026 - FY2028)

- Technology to Value 2028 -

May 12, 2026

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Mid- to Long-Term Management Plan
(FY2023 – FY2030)

Review of "Toward Creating a New Future"

- Operating profit and ROE both fell short of the Rolling Plan targets under the previous Mid-Term Management Plan
- The primary factors were the slowdown in PVDF and the failure to achieve sales targets for PGA in the Advanced Materials business
- In FY2025, **impairment losses of ¥36.5 billion** were recorded, primarily related to the PVDF business
- Qualitative targets centered on strengthening research and technology development capabilities were largely achieved, with progress made on many promising new business candidates

FY2035 Long-Term Management Plan

Technology to Value

- Withdraw the FY2030 targets and establish a new ideal state for FY2035
- In addition to two core businesses (Advanced Materials and Specialty Plastics), we will cultivate and strengthen the Life Science field of Specialty Chemicals business and aim to **establish a three-business portfolio structure**
- Aim for ROE of 12%.

Mid-Term Management Plan
(FY2026 - FY2028)

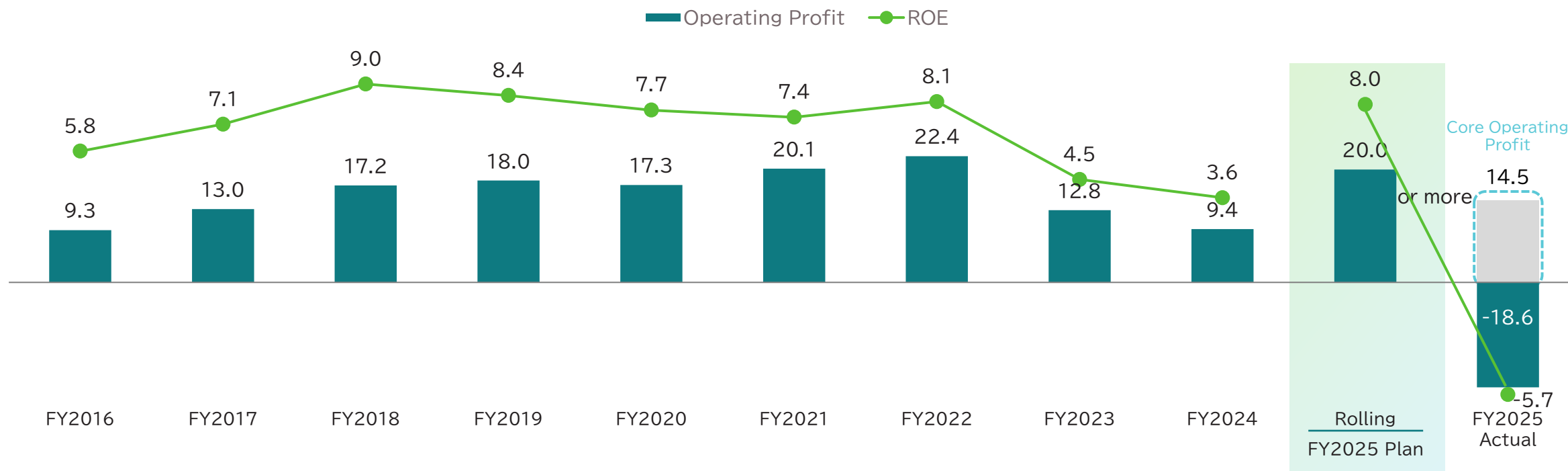
Technology to Value 2028

- Position as a laying the groundwork and strengthening of foundation phase, and aim to **establish at an early stage a business structure capable of achieving ROE 8%**
- Improve profit structure, which is currently overly dependent on specific businesses, and strive to achieve a stable business portfolio

2 Review of the Mid- to Long-Term Management Plan,
“Toward Creating a New Future” (FY2023 - FY2030)

- Although operating profit had shown an upward trend since the adoption of IFRS in FY2016, the Company faced challenges from FY2023 to FY2025, resulting in both operating income and ROE falling short of the Rolling Plan.
- The main factors were the slowdown in the Advanced Materials business and impairment losses of ¥36.5 billion, mainly attributable to this segment.

Trends in Operating Profit and ROE (billion yen · %)

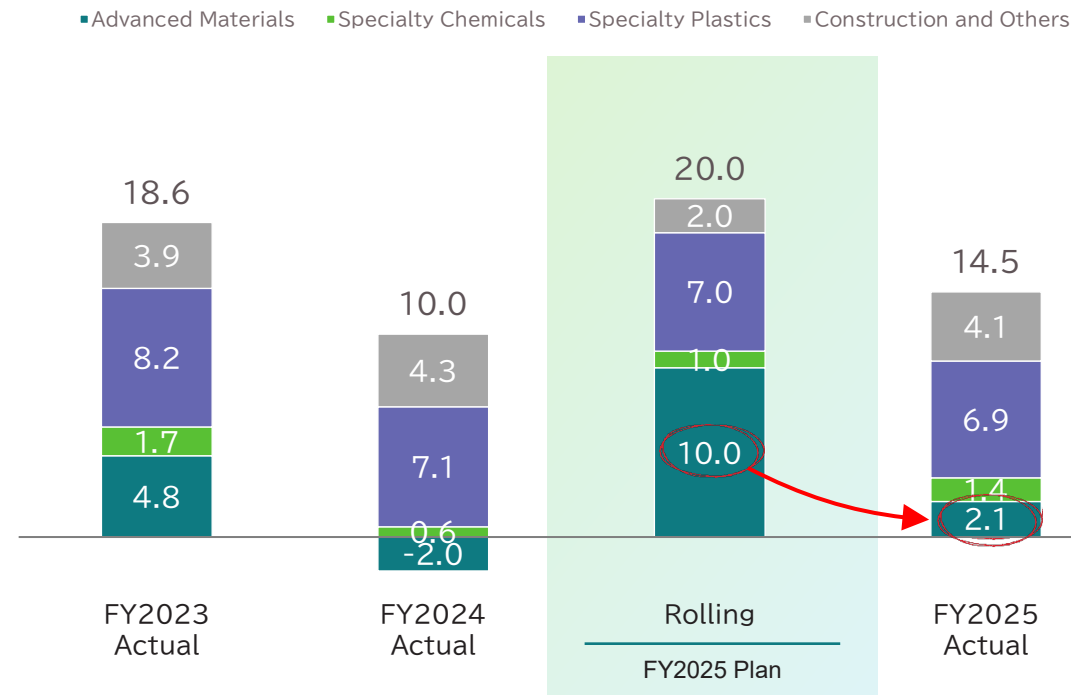
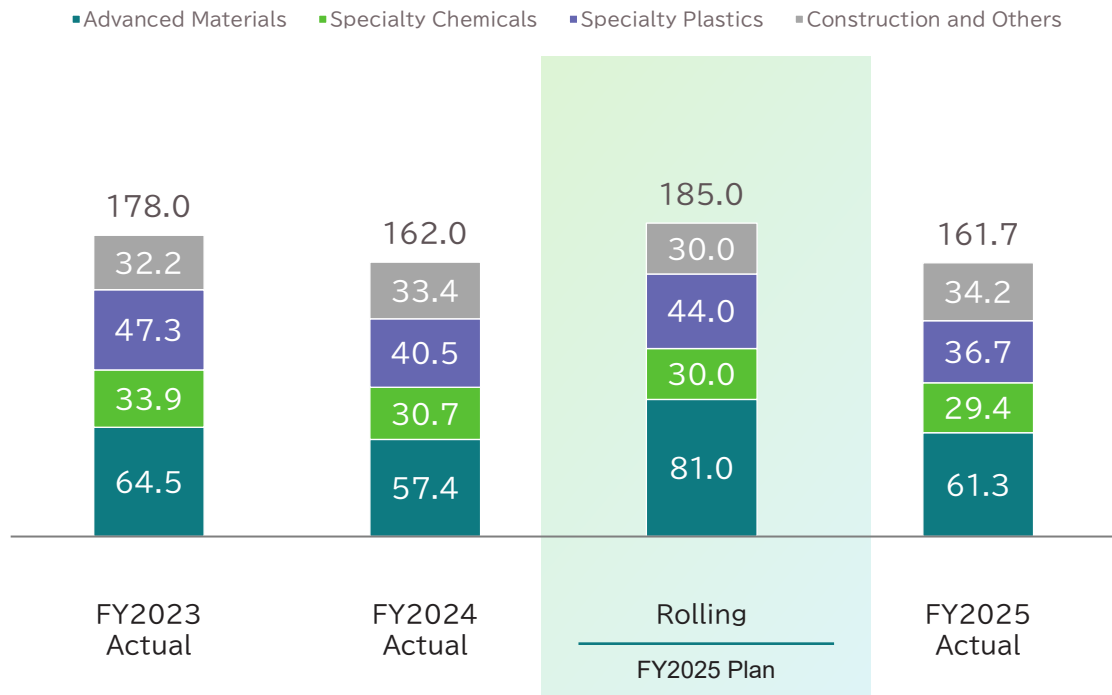


Summary of the Previous Mid-Term Management Plan: Trends by Segment

- By segment, Advanced Materials business fell significantly short of the Rolling Plan in both revenue and profit. The profit shortfall was mainly attributable to PVDF and PGA
- Specialty Plastics business fell slightly short of its profit target but exceeded its profit target, even Home Products shifted from its previous cost strategy to an aggressive sales expansion strategy.
- Specialty Chemicals, Construction and Other Operations businesses are generally in line with the Rolling Plan

Sales by Segment (billion yen)

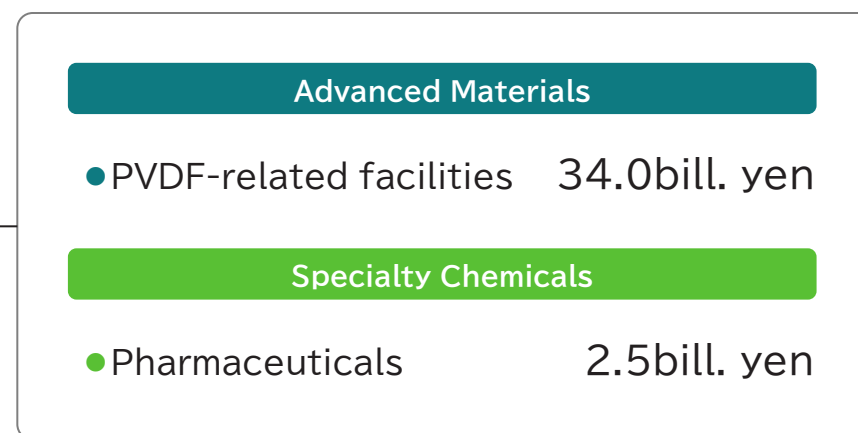
Operating Profit by Segment (billion yen)



- We recognized impairment losses of ¥36.5 billion in FY2025 related to the PVDF and Pharmaceuticals businesses.
- The PVDF business, which had remained at low operating rates, will seek to break away from continuous losses and improve profitability at an early stage, supported by reduced fixed costs resulting from the impairment losses from FY2026 onward.

Extract from the Statement of Income for Fiscal 2025

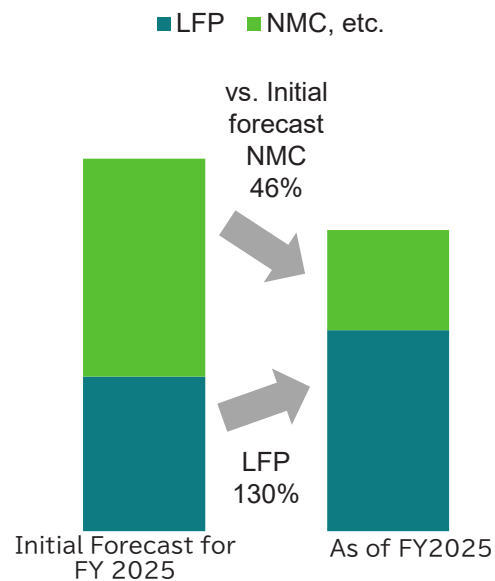
	(billion yen)
Core Operating Profit	14.5
Other Profit	4.2
Other Expenses	37.3
Impairment Losses	36.5
Others	0.8
Operating Loss	-18.6



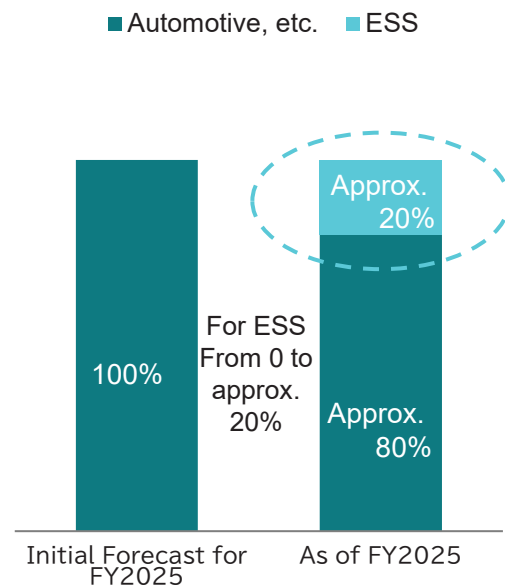
Summary of the Previous Mid-Term Management Plan: Review of the Advanced Materials Business (PVDF)

- PVDF planned to increase its revenue based on the assumption that demand for NMC LiBs for EV would grow. However, the slowdown in EV growth combined with the growing market share of LFP LiB resulted in revenue and profit falling significantly short of targets
- On the other hand, sales of PVDF for ESS applications started in FY2025. Although this is a domain we hadn't initially anticipated, it has provided a solid foundation, accounting for approximately 20% of PVDF sales
- The new plant at the Iwaki Factory is scheduled to begin commercial operation in 2027. Develop an optimal production plan based on demand conditions by that time

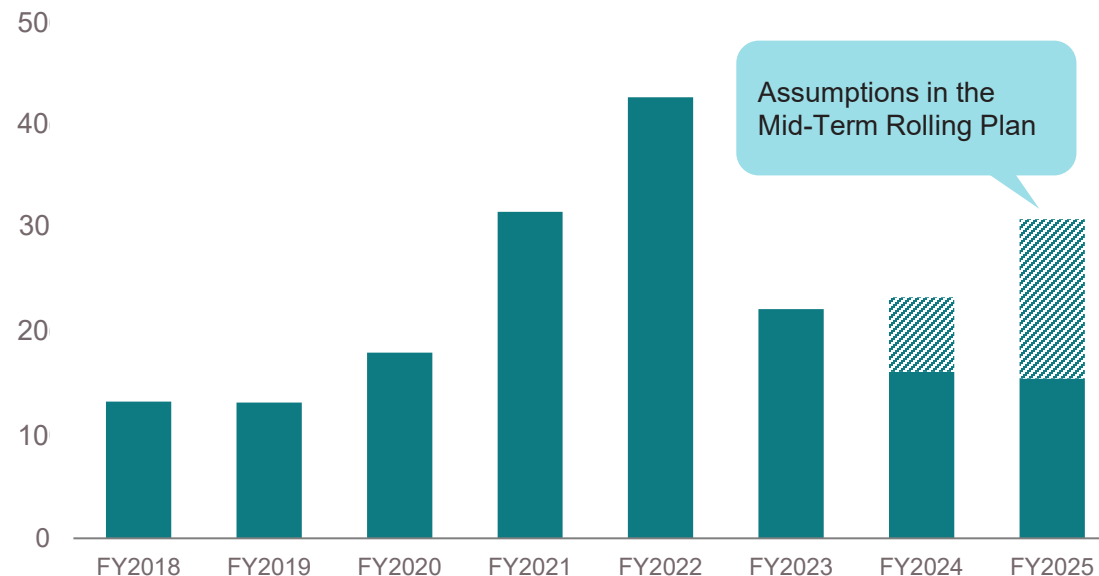
**Market Size of LiB Binders by Type
Changes in Forecasts (FY2025)**



**Binder for LiB Used in ESS Applications
Changes in Kureha's Sales Ratio (FY2025)**



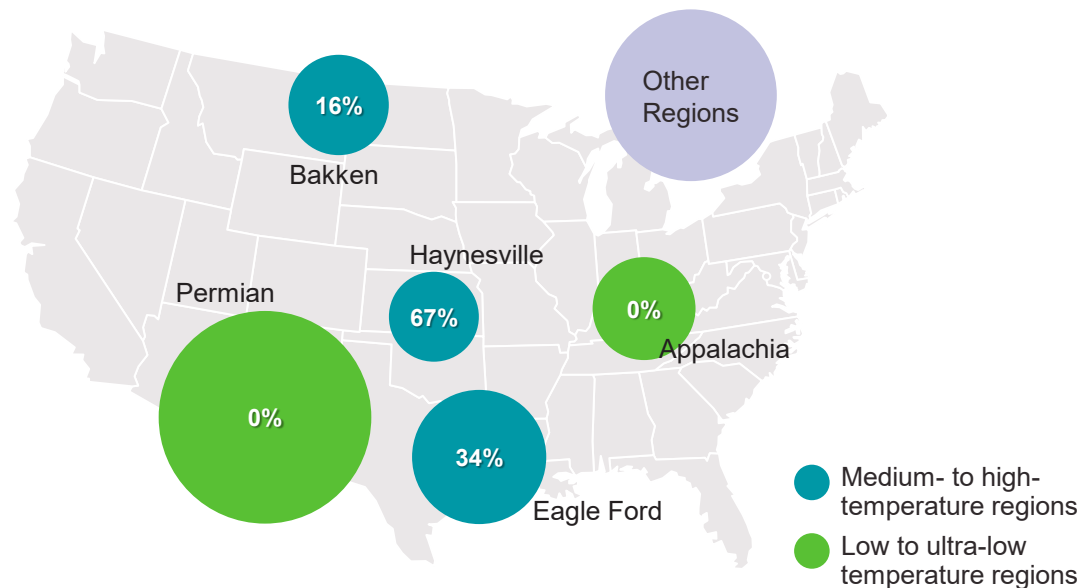
PVDF Revenue (billion yen)



Summary of the Previous Mid-Term Management Plan: Review of the Advanced Materials Business (PGA)

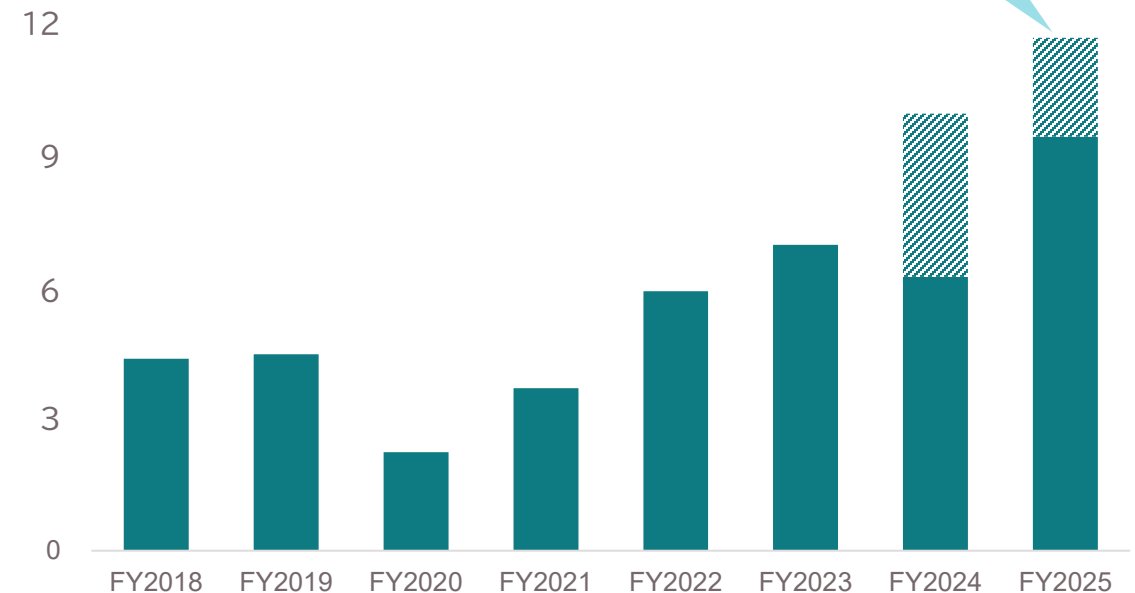
- PGA plugs for medium- to high-temperature fields exceeded the 30% market share target in major fields. Although the market took off rapidly in FY2025, due to supply constraints caused by resin production issues, sales targets for medium- to high-temperature fields were not met
- Sales targets for low- to ultra-low-temperature plugs were not achieved, due to supply constraints caused by production issues and development delays
- Consider a fundamental review of the business structure if the PGA business does not return to profitability in FY2026

Market Share by Region



* Size of circle ... Company estimated size of the frac plug market
Numbers in the circle ... Company market share (%) estimated in the region

PGA Revenue (billion yen)



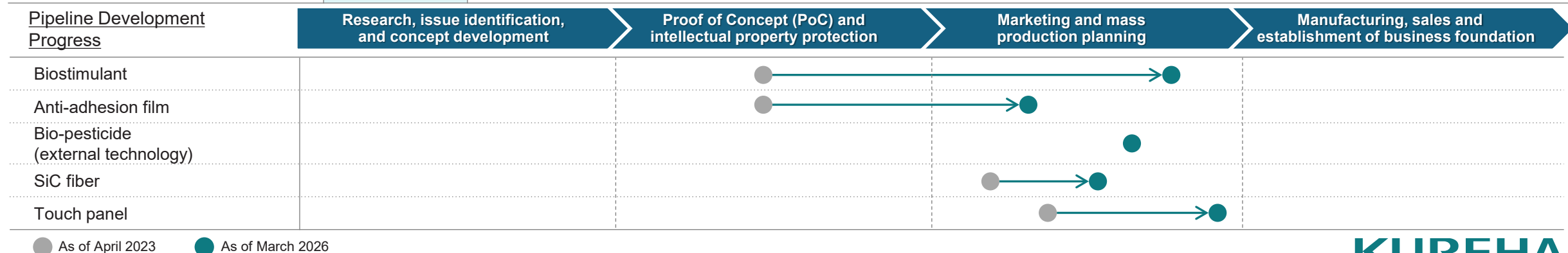
Assumptions in the Mid-Term Rolling Plan

Building on the progress achieved through non-financial initiatives during the previous Mid-Term Management Plan period, we will continue to pursue improvements and further development in themes, such as governance, human resources and environment, from a long-term perspective

	Theme	Achievement Level	Details
Strengthening the Management Base	Strengthening governance	△	<ul style="list-style-type: none"> ● Reorganized group companies to build a streamlined and efficient group management structure ● Despite its goal of eliminating compliance issues, the Company experienced misconduct by an executive due to an insufficient framework, and will promptly reinforce its compliance system
	Further promotion of digitalization	○	<ul style="list-style-type: none"> ● Through proactive investment in digitalization, we upgraded core system and adopted tools that form the foundation of DX infrastructure, such as data analytics platforms and generative AI, while promoting their utilization. Also conducted employee training on how to utilize these tools ● As a result of these activities, the company was selected by the Ministry of Economy, Trade and Industry as a DX certified company in September 2025
Promoting Synergism between Company and Employees	Maximizing employee performance	△	<ul style="list-style-type: none"> ● Promoted the implementation of various systems and initiatives and development of a comfortable working environment, including measures to enhance employee engagement, strengthen career development support, and introduce and expand more flexible working arrangements (such as remote work policies and various leave and absence policies), to maximize employee performance and job satisfaction ● Understanding of the fundamental concepts and importance of improving engagement has deepened and has been incorporated into organizational management. Extraction of essential issues and implementation of measures based on such issues remains an ongoing challenge
	Promotion of measures to maintain and improve health	○	<ul style="list-style-type: none"> ● In FY2023, we established the “Kureha Group’s Basic Policy on Health” and formed the “Group’s Healthcare Promotion Meeting” to promote various physical and mental health initiatives through the collaborative efforts of Group companies, employees, and the Health Insurance Society ● Kureha has also been recognized as a “Health & Productivity Management Outstanding Organization (large enterprise category)” for six consecutive years
Reduction of Environmental Impact	CO₂ emissions reduction	○	<ul style="list-style-type: none"> ● Technical studies on fuel conversion have provided a clear path toward achieving the FY2030 target (30% reduction compared to FY2013)
	Waste zero-emission rate	○	<ul style="list-style-type: none"> ● Through waste recycling and turning waste into valuable resources, we achieved FY2025 zero-emission rate target of 1.5%

Enhanced market-driven research and technical development capabilities

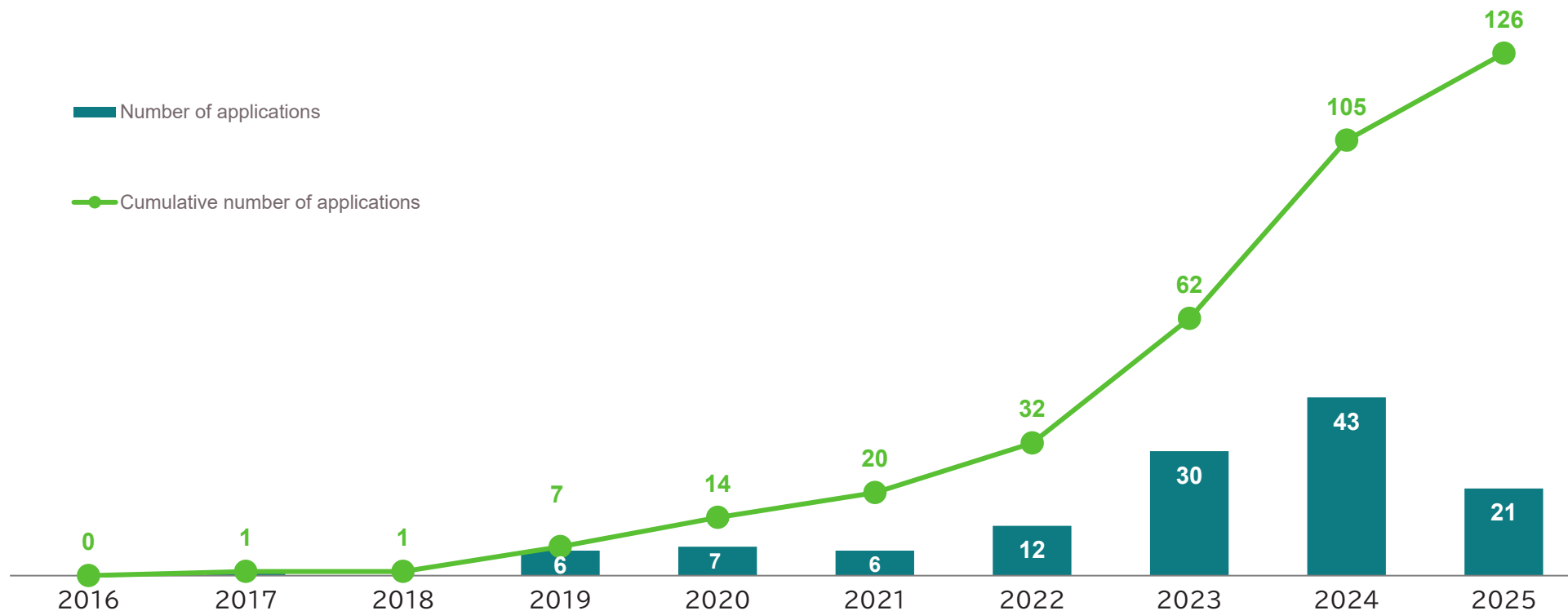
Theme	Achievement Level	Details
Development of differentiated products	△ (Partial delay)	<ul style="list-style-type: none"> ● PVDF: Development of new grades for LFP LiB and NMC LiB ● PGA: Development and launch of low-temperature and ultra-low-temperature grades, as well as development and sales expansion of short-type plugs ● Crop Protection Products: Development of agricultural fungicide, Carneconazole (ISO common name)
Creating and advancing new business initiatives through the integration of in-house and external technologies	○	<ul style="list-style-type: none"> ● Establishment of the New Business Division (2023) ● Accelerated the creation and development of new business themes through proactive co-creation and collaboration with startups and universities, etc. e.g., Low-molecular-weight PFAS detoxification technology (disclosed in 2024), bio-pesticide and microbial interaction analysis platform (disclosed in 2025), Liquid Crystal Polymer (LCP) technology (disclosed in 2026)
Strengthening production technology and engineering capabilities*	○	<ul style="list-style-type: none"> ● Launched the Production Transformation Project to strengthen global competitiveness ● Establishment of a dedicated unit to develop highly accurate strategies based on competitive trends and external data (intelligence function) ● Establishment of the Tokyo Research Laboratories to facilitate collaboration with other companies, acquire top talent, and strengthen the cooperation of marketing and R&D ● Establishment of the Innovation and Technology Department to acquire the ability to solve scientific and engineering challenges through the adoption of advanced technologies such as computer science



* Includes the strengthening R&D capabilities

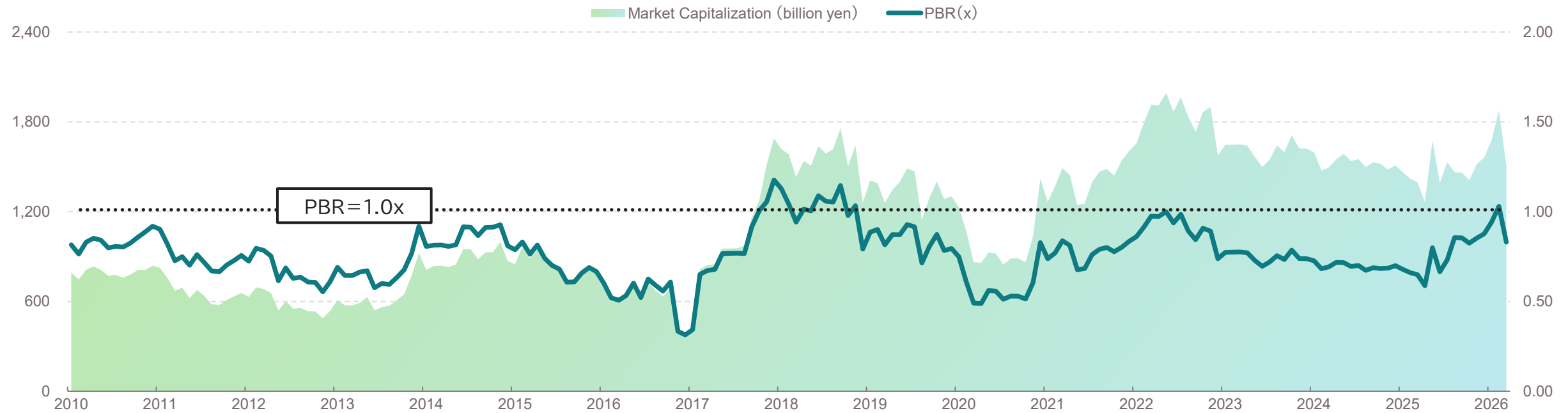
- As part of its efforts to strengthen research and technology development capabilities, we have focused on increasing the number of patent applications, resulting in a significant rise in patent filings related to new businesses
- Contributing significantly to strengthening research and development by improving the certainty of new business creation

Number of Patent Applications for New Businesses by Year



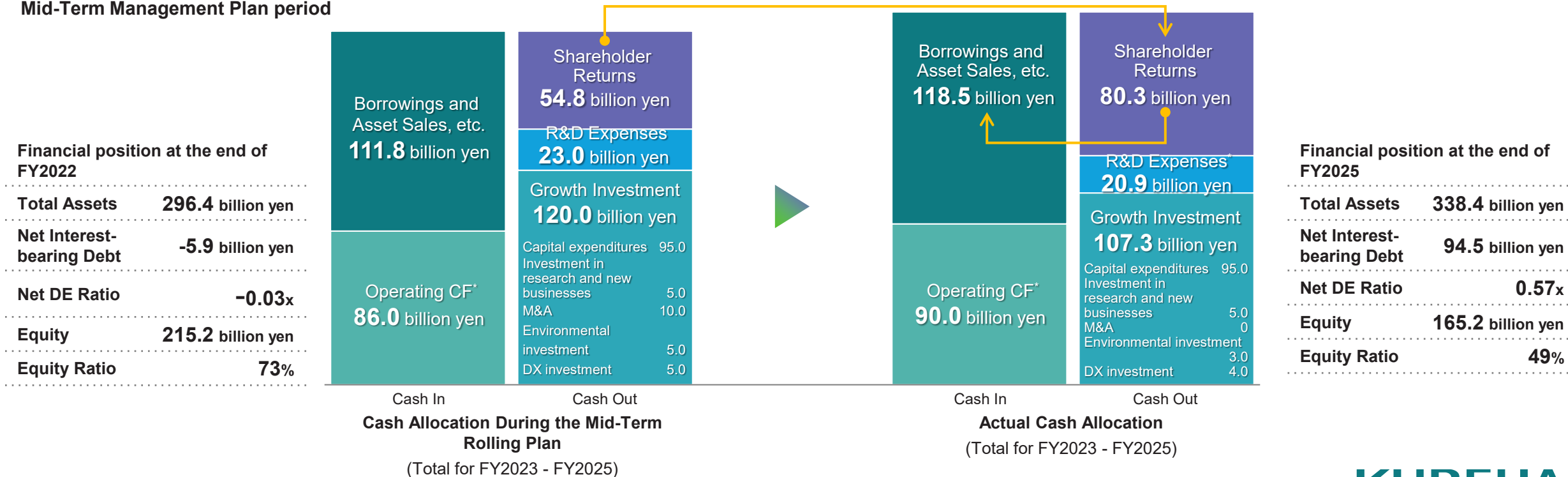
- Although PBR occasionally exceeded 1.0x during FY2025, it had not reached that level at the fiscal year-end
- Shareholder return initiatives, such as dividend increases, contributed to the increase in PBR in FY2025

Trends in PBR, Market Capitalization and Enterprise Value



- Reviewed our capital policy and strengthened shareholder returns beyond the Rolling Plan. Increased shareholder returns by ¥25.5 billion compared with the Rolling Plan by acquiring treasury stock and increasing dividends through the introduction of DOE
- Accordingly, we promoted increased borrowing and sale of assets. Net interest-bearing debt increased by approximately ¥100.0 billion, and both the net DE ratio and the equity ratio reached their respective target levels
- Growth investment was constrained primarily due to the absence of M&A opportunities.

Changes in cash allocation during the previous Mid-Term Management Plan period



*Operating cash flow excluding R&D expenses

Reasons for Failing to Meet the Goals of the Previous Mid-Term Management Plan

External Factors

- Sharp cuts in environmental subsidies in Europe and the United States
- As a result, a major shift in automakers' EV strategies
- Rapid growth of China's manufacturing sector in global growth markets

Internal Factors

- The business plan relied too heavily on specific technologies, applications, or regions
 - The growth strategy was overly dependent on PVDF business profits
- Misjudgment of market changes
 - While we expected NMC LiB to grow, LFP LiB expanded in PVDF
- Misjudgment regarding technology development capabilities
 - For PGA, the Company misjudged the time required for new product development
 - Underestimation of technological innovations in LFP LiB

Issues from the Previous Mid-Term Management Plan and Long-Term Issues

Strengthening the Competitiveness of Core Businesses

- Launch of new products and grades
- Enhancing cost competitiveness
- Strengthening scenario planning

Evolution of the Business Portfolio

- Improving the portfolio by strengthening the competitiveness of core businesses
- Development of the Life Science field

3 **FY2035 Long-Term Management Plan**
- Technology to Value -

Our ideal state in FY2030

We work toward **Revitalizing Kureha's Technology-Driven Focus** by strengthening research and technology development capabilities, which form the foundation for improving business performance and reducing environmental impact

- Generate revenue through products and services that contribute to solving social issues in three focus areas: Environment and Energy, Life, and Digital Communications.
- To reduce environmental impact, we are working to reduce energy-related CO₂ emissions and achieve zero emissions.



While we remain committed to being a technology-driven company, developing new businesses will require a longer timeframe than previously anticipated. New businesses and products are expected to contribute to earnings mainly from 2030 onward; the FY2030 targets have been withdrawn and replaced with a new ideal state in FY2035

Our ideal state in FY2035

A High-Value-Added Company Committed to Driving Value through Technology and Competing Globally

Goals to be achieved during the new Mid-Term Management Plan period (three years)

- Launch new grade products and enhance cost competitiveness by strengthening technology capabilities
- Acquire new customers and new applications
Through these initiatives, **strengthen the profitability of Advanced Materials and Specialty Plastics**

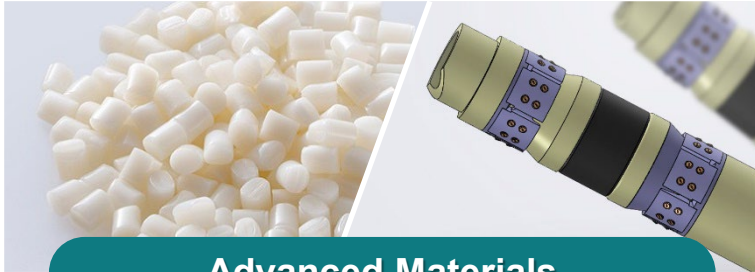
Long-term initiatives leading up to 2035

- **Achieve** a balanced **business portfolio** through the driving revenue growth of new businesses and products
- Strengthen the management base: management systems including risk management, reduction of environmental impact, strengthening of human capital

- In addition to two core businesses (Advanced Materials and Specialty Plastics), we will cultivate and strengthen the Life Science field of the Specialty Chemicals business to establish a three-business portfolio structure
- We aim to develop a well-balanced business portfolio that is less dependent on any single business and delivers strong capital efficiency



Aim to build a business portfolio that is not overly dependent on specific businesses and offers excellent return on capital



Advanced Materials

- **Pursue higher value-added products through the launch of new grade products**
 - Accelerate development of new grade products derived from existing products to meet customer needs
 - As a result, secure our position as customers' first-call partner
- **Efficient operation of existing facilities**
 - As major capital investments have largely been completed, reduce costs by optimizing personnel through operational efficiency
 - At the same time, aim to secure sufficient sales volume through new grade products and expand market share



Specialty Plastics

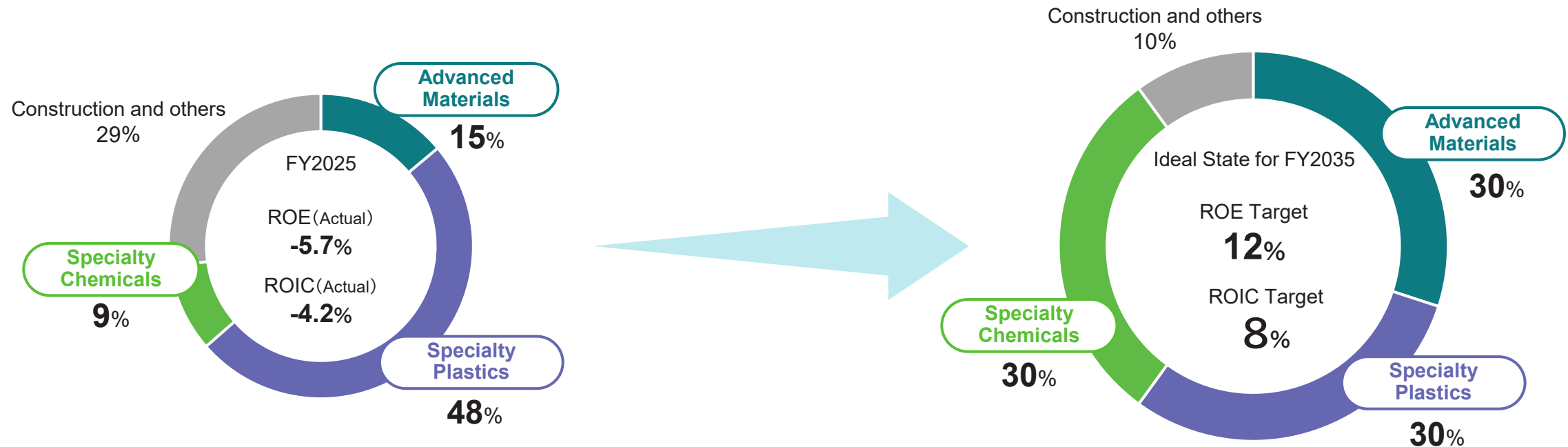
- **Enhance brand value and diversification (BtoC)**
 - Enhance the brand value of home products, including the launch of new products, and expand new brand range
- **Further promote high value-added initiatives and address environmental risks (BtoC)**
 - Develop a successor to the top-grade fishing line (Grandmax)
 - Develop PFAS-compliant fishing line
 - Establish a plastic resource recycling system through the recycling of used tuna fishing lines (for fishermen)
- **Efficient operation of existing facilities**
Effective use of existing facilities through sales expansion



Specialty Chemicals

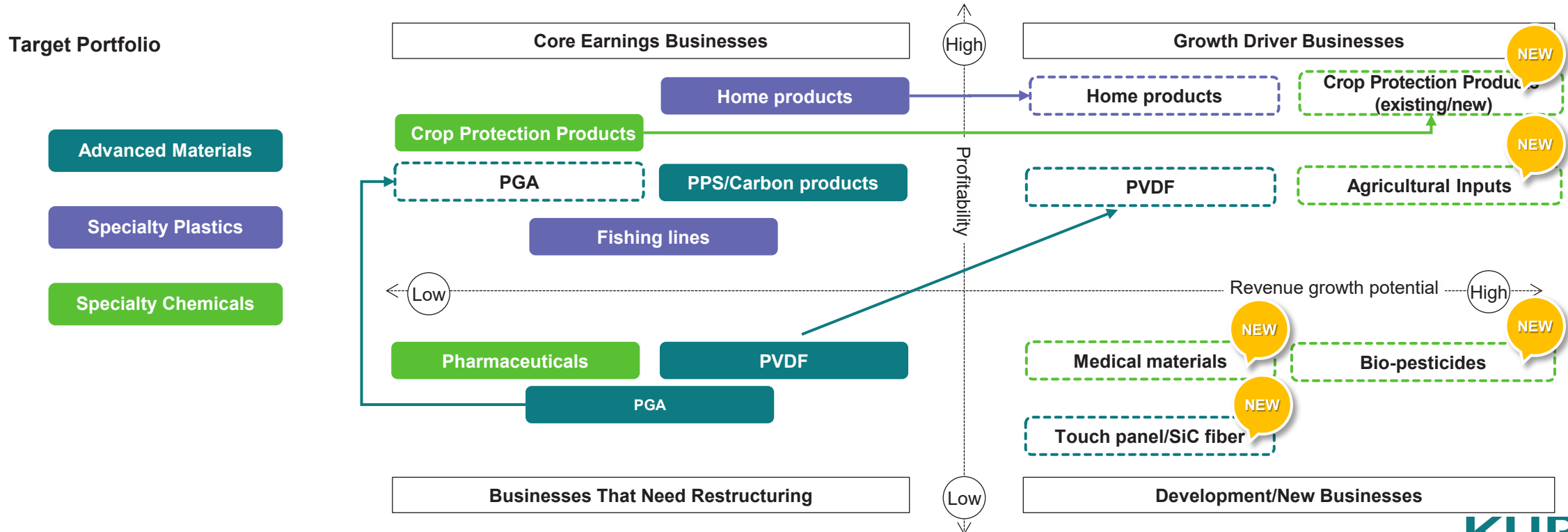
- **Focus on three key areas within the Life Science field: Crop Protection Products, Agricultural Inputs, and Medical Materials**
 - Allocate resources and implement stage-gate management to ensure the successful monetization of existing pipelines
- **Further expansion of the new business pipeline and utilization of M&A**
 - Create new pipeline in the Life Science field by leveraging our technical strengths
 - Achieve high return on capital by leveraging the expertise and facilities of other companies

Build an Earnings Portfolio across the Three Business Segments. Aim to Achieve ROE of 12%



Target Business Portfolio for FY2035

- The current business portfolio has been revised based on the latest situation, including the reclassification of PVDF, Home Products, and Crop Protection Products from their previous status as Growth Driver Businesses.
- The current business portfolio, which was supposed to be centered on niche areas relatively unaffected by environmental changes, has been affected by significant changes in the business environment
- Promote the strengthening of research and technology development capabilities. We aim to create our own unique market by developing new grades of PVDF in the Advanced Materials, strengthening the brand power of home products in the Specialty Plastics, and fostering our pipeline in the Life Science field in the Specialty Chemicals. We will also aim to evolve our business portfolio and establish a foundation that enables us to remain resilient amid environmental changes



4 Mid-Term Management Plan (FY2026 - FY2028)
- Technology to Value 2028 -

4-1. Basic Policies and Goals

4-2. Strategy for Core Businesses, New Business, Research and Technology

4-3. Strengthening the Management Base

- The new Mid-Term Management Plan is positioned as a period for laying the groundwork and solidifying the foundation. We aim to establish at an early stage a business structure capable of achieving ROE 8%
- Core operating profit, which excludes non-recurring gains and losses (expense items), and EBITDA has been newly adopted as a profit indicator.

Mid-Term Management Plan 2026 - 2028

Basic Policies of the Mid-Term Management Plan (FY2026 - FY2028)

Strengthening the Competitiveness of Core Businesses

Evolution of the Business Portfolio

Strengthening the Management Base

<FY2028 Targets>

Operating Profit

19.0 billion yen

EBITDA

33.0 billion yen

ROIC

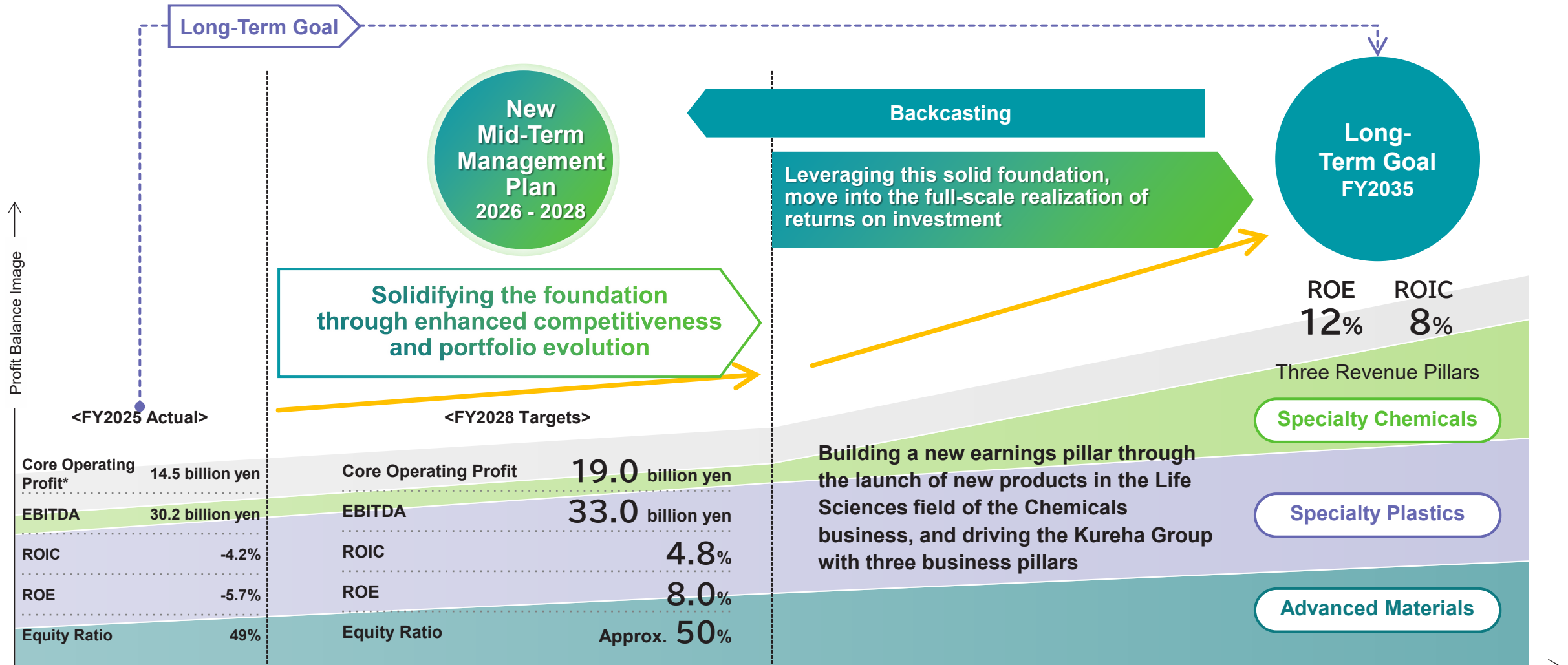
4.8%

ROE

8.0%

Equity Ratio

Approx. 50%



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

Strengthening the Competitiveness of Core Businesses

Promoting effective utilization of existing facilities in Advanced Materials
Implement initiatives focused on strengthening brand value in Specialty Plastics
Achieve cost reductions and functional improvements through the Production Transformation Project

Advanced Materials

Improve profitability by effectively utilizing existing facilities through the development of new products and new grade products

Specialty Plastics

Strengthen profitability by enhancing the brand value of home products and developing new brands

Common to the above Two Businesses

Reduce costs and develop new grades by streamlining production systems and enhancing technological capabilities through the Production Transformation Project

Evolution of the Business Portfolio

Focus on developing the Life Science field in the Specialty Chemicals business

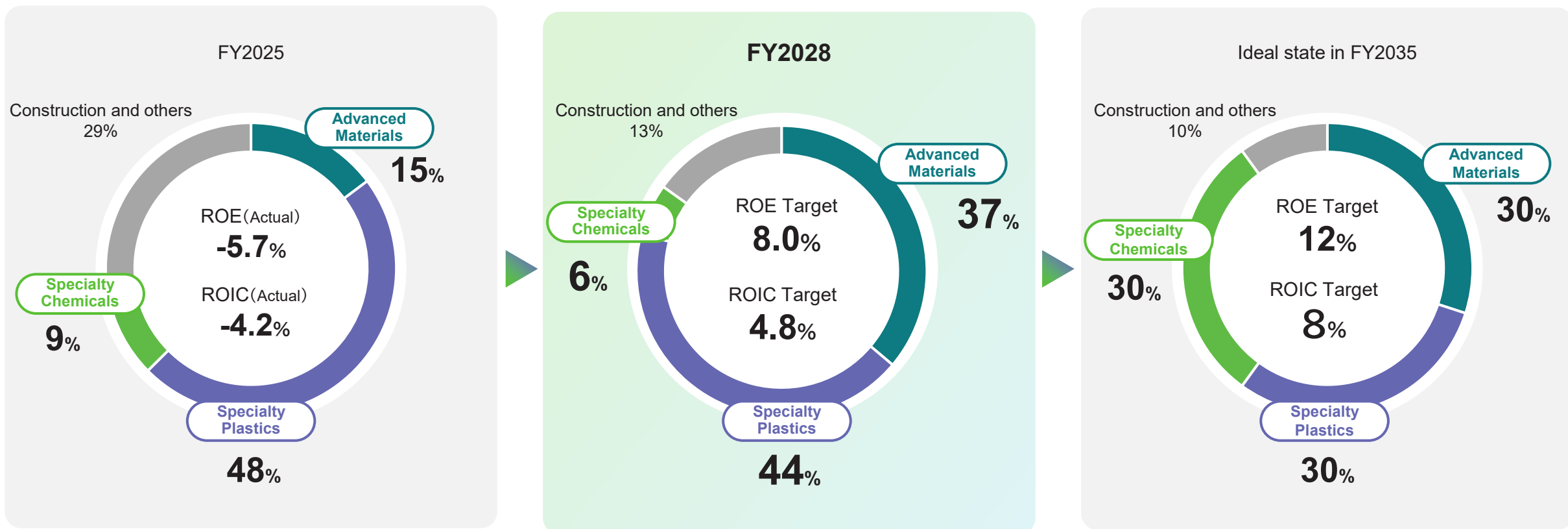
Specialty Chemicals

Set Crop protection products, Agricultural inputs, and Medical materials in the Life Science field as key focus areas and develop our existing pipeline

Contribute to the Company's overall profit growth by 2035 and establish this business as a new source of revenue

Improve the earnings structure, which is currently overly dependent on specific businesses, and strive to achieve a stable business portfolio

Restoring profitability in the Advanced Materials business and developing the Life Science field in the Specialty Chemicals business



New Mid-Term Management Plan Target

- EBITDA for FY2028 is projected to increase by 9.3% to ¥33.0 billion. Aim to return to the record-high level seen in FY2022
- Although capital expenditures have increased due to investments in PVDF capacity expansion, this has been offset by a recovery in profitability

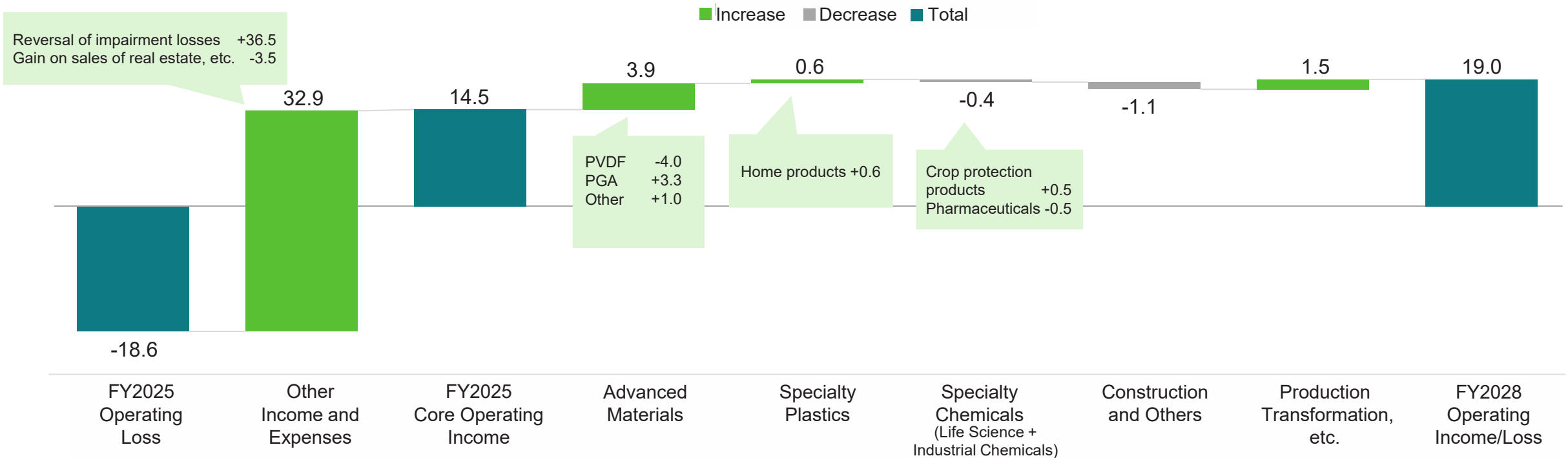
	FY2025 Actual	FY2028 Plan	Projected Growth Rate for FY2026 - FY2028
Core Operating Profit	14.5 billion yen	19.0 billion yen	+31.0%
Operating Profit	-18.6 billion yen	19.0 billion yen	-
EBITDA	30.2 billion yen	33.0 billion yen	+9.3%
ROE	-5.7%	8.0%	+13.7ppt
ROIC	-4.2%	4.8%	+9.0ppt
Equity Ratio	49%	Approx. 50%	-
Assumed FX Rate	JPY/USD	151	150
	JPY/EUR	175	175
	JPY/RMB	21.2	21.0

(billion yen)	FY2025 Actual		FY2028 Plan		Projected Growth Rate for FY2026 - FY2028	
	Revenue	Core Operating Profit	Revenue	Core Operating Profit	Revenue	Core Operating Profit
Advanced Materials	61.3	2.1	73.0	6.0	+19.1%	+285.7%
Specialty Plastics	36.7	6.9	42.0	7.5	+14.4%	+8.7%
Specialty Chemicals	-Life Science	10.5	11.0	1.0	+4.8%	-28.6%
	-Industrial Chemicals	18.9	20.0		+5.8%	
Construction	16.0	1.5	22.0	1.5	+37.5%	-
Others	18.2	2.6	17.0	1.5	-6.6%	-42.3%
Other Factors Affecting Changes				1.5		
合計	161.7	14.5	185.0	19.0	+14.4%	+31.0%

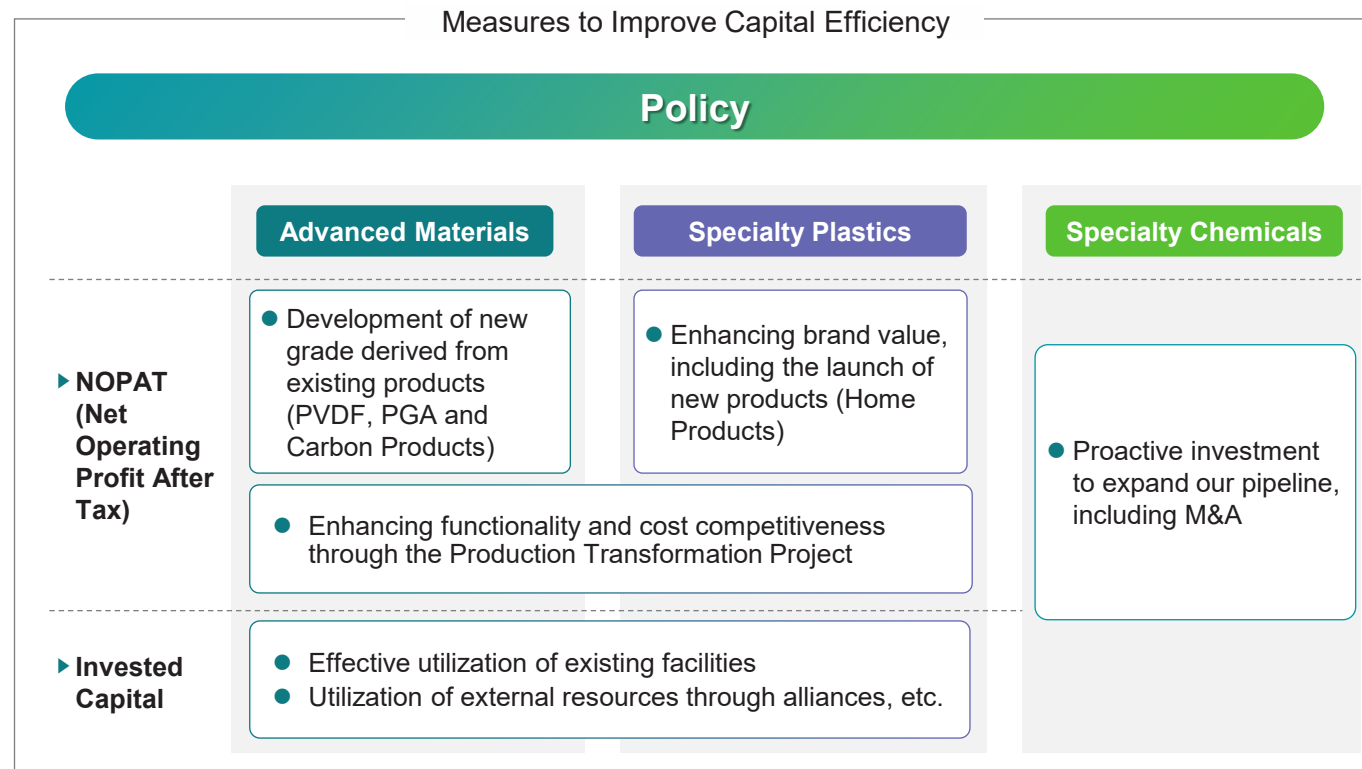
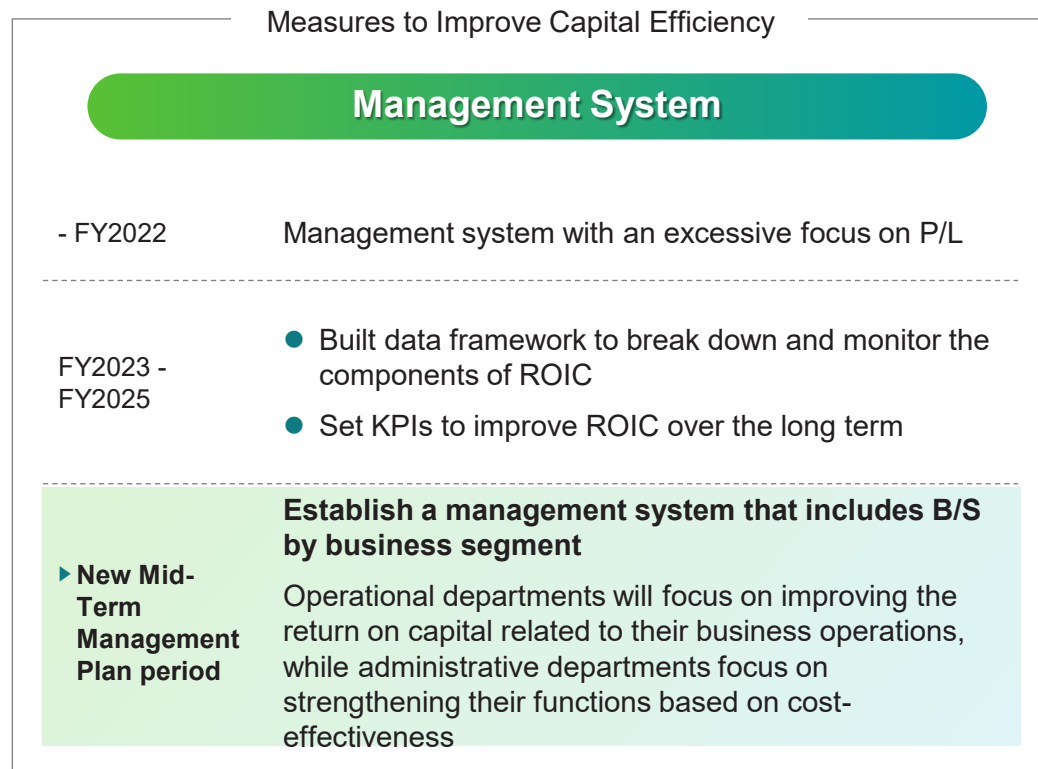
Variance Analysis of Core Operating Profit by Segment

- The new Mid-Term Management Plan targets an improvement of ¥4.5 billion in core operating profit, excluding the impact of other income and expenses. Driven by the Advanced Materials business, supported by expected improvements in PGA, and the Production Transformation Project
- On the other hand, the Specialty Chemicals business, which is positioned as a new revenue pillar for FY2035, is still in the laying the groundwork phase. Its profit contributions during the new Mid-Term Management Plan period remain limited
- Meanwhile, the PVDF business continues to face a challenging earnings situation due to increased depreciation expenses from the plant expansion

Factors behind changes in core operating profit (billion yen)



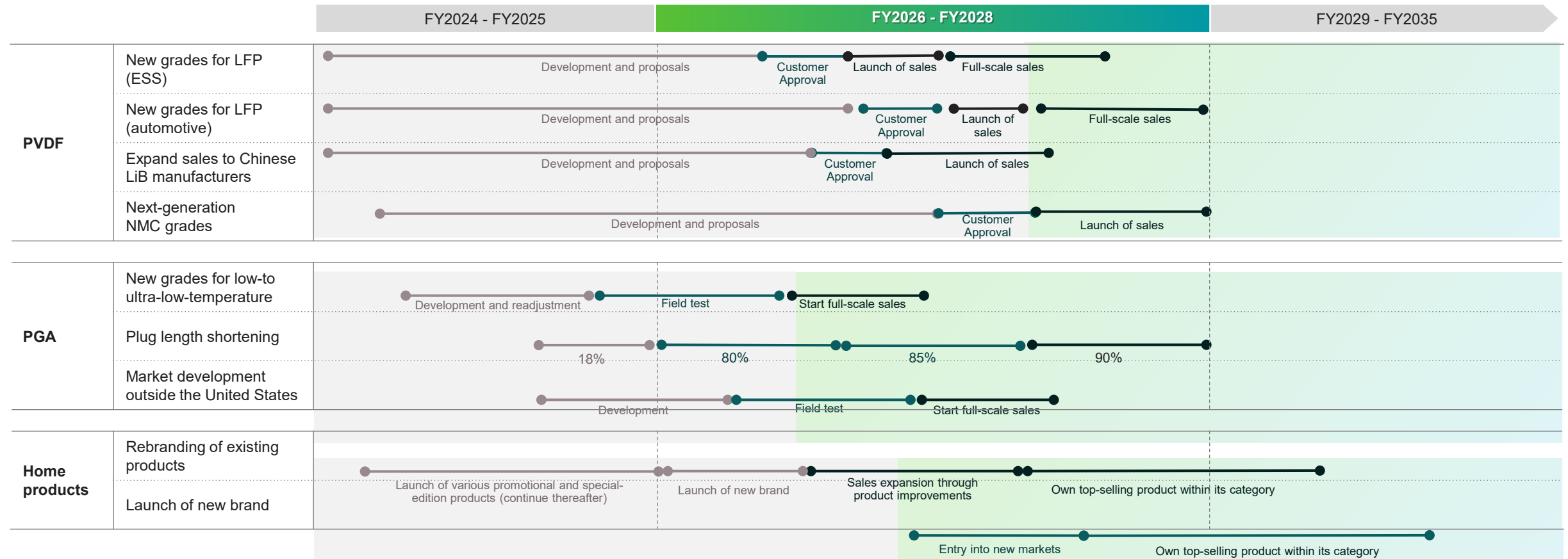
Introduce ROIC management to improve capital efficiency to achieve our target ROE



Clarification of action guidelines by making ROIC as a common internal language

Strengthening the Competitiveness of Core Businesses (Advanced Materials and Specialty Plastics) (1)

- Initiatives to lay the groundwork and strengthen the foundation were launched in the previous Mid-Term Management Plan, and are expected to contribute to earnings in the new Mid-Term Management plan, paving the way for future growth
- The Advanced Materials business aims to improve profitability by effectively utilizing existing facilities through the development of new products and new grades
- The Specialty Plastics business will strengthen its profitability by enhancing the brand value of home products and developing new brands



Laying the groundwork and platform-building phase



Profit contribution phase

Strengthening the Competitiveness of Core Businesses (Advanced Materials and Specialty Plastics) (2)

- In the Advanced Materials and Specialty Plastics businesses, we will promote efficiency through operational reviews and pursue automation, while aiming to enhance functions by consolidating our technical expertise
- Aim to create value by streamlining operations and enhancing technical capabilities of manufacturing division, and to establish a sustainable competitive edge that will enable us to succeed globally by continuously reinforcing these initiatives



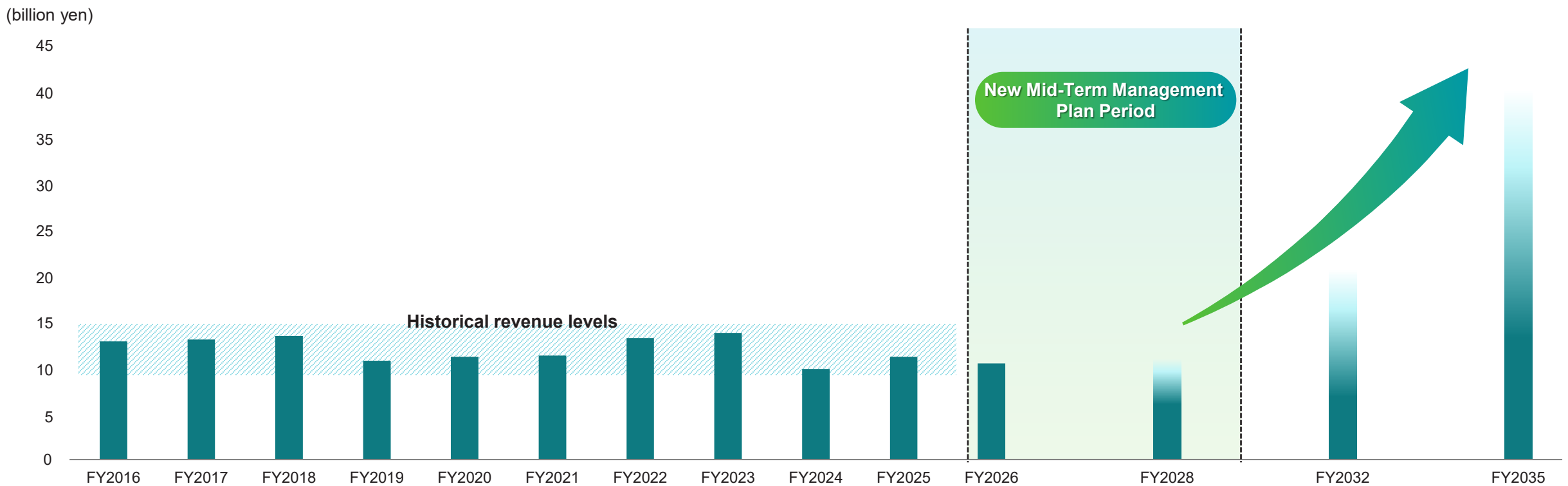
Crop Protection Products	Agrochemicals	<ul style="list-style-type: none"> ● Complete the final-stage development of Carneconazole, which has been under development since before the previous Mid-Term Management Plan ● Promote applications for agrochemical registration worldwide to ensure the full-scale launch of the new products in the early 2030s ● Improving the frequency of new active ingredient discovery by utilizing development platforms that leverage cutting-edge technologies such as AI and by partnering with external research institutions and startups
	Bio-pesticides	<ul style="list-style-type: none"> ● Develop business strategies that maximize value by accumulating market information and technical insights through marketing and evaluation ● Obtain U.S. EPA approval and launch commercial sales ● Establish the optimal formulation and processing conditions for target crops
Agricultural Inputs	Biostimulants	<ul style="list-style-type: none"> ● Select target crops and alliance partners by continuing marketing and field trials ● Scale-up through outsourcing, establish a mass production system, and begin manufacturing and sales ● Improve productivity to further enhance business profitability, identify the X-factor and develop the pipeline
Medical Materials		<ul style="list-style-type: none"> ● Establish a regulatory strategy for obtaining U.S. FDA approval ● Determine the business development strategy for the Japanese domestic market ● Complete our scale-up evaluation and establish a manufacturing system to provide samples for non-clinical and clinical studies ● Complete non-clinical studies and launch clinical trials ● Secure KOLs (Key Opinion Leaders) and alliance partners to accelerate commercialization in target countries

- Focus on developing businesses primarily in the Life Science field. With know-how in sales alliances and overseas consignment manufacturing, as well as a technical foundation such as crop protection product R&D, biological evaluation technologies, safety assessment, and production technologies, we will promote business development that leverages these strengths
- Promote the development of the current pipeline in accordance with the roadmap, while simultaneously accelerating the search for new business themes

Major New Products, New Business Development Themes and Future Milestones

	Current situation	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2035 Revenue Targets	Peak Revenue
Agricultural fungicide Carneconazole (ISO common name)	Safety tests are currently being conducted in preparation for the registration application	Begin filing applications in various countries		Launch of sales		Sequentially complete registration in each country	Launch in major countries	Launch in each country and maximize revenue and profit				20 billion yen	25 billion yen
Biostimulant	Currently building alliances with customers to prepare for market launch. Currently considering pilot production	Start production /complete registration	Market launch	Improve productivity		Promote strategies to expand market share					12 billion yen	14 billion yen	
Anti-adhesion film	Currently developing a regulatory strategy and conducting preparations for non-clinical trials and manufacturing evaluation	Non-clinical study		Clinical trial		Application for approval		Market launch (US)	Market launch (Japan)			4 billion yen	10 billion yen
Bio-pesticides	Completed initial evaluation, currently conducting marketing to potential customers. Establish a new product development platform.	Application for registration		Registration complete		Market launch	Expansion of the portfolio					2 billion yen	5 billion yen

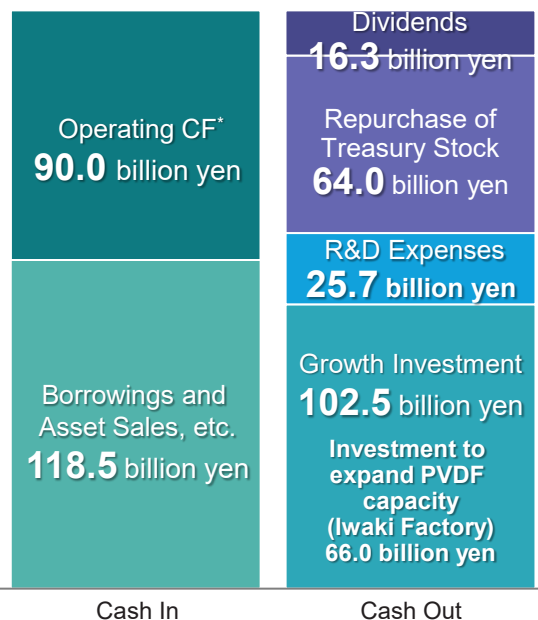
- Revenue in the Life Science field has remained within the range of approximately ¥10.0 to 15.0 billion
- Our ideal state in FY2035 is to grow this field to ¥40.0 billion level
- Although we plan to actively allocate management resources during the new Mid-Term Management Plan period, tangible revenue contributions are expected to emerge only after that period



Cash Allocation during the New Mid-Term Management Plan Period

Financial position at the end of FY2025

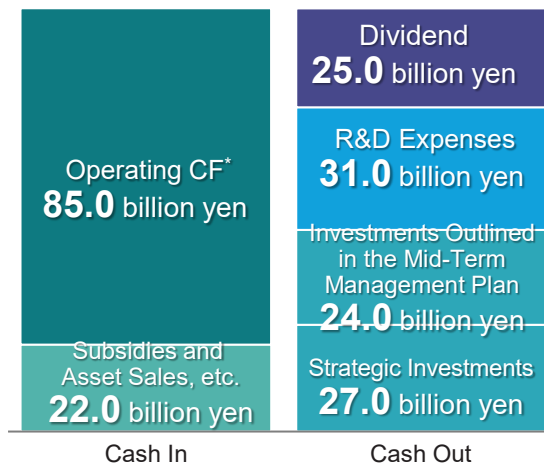
Total Assets	338.4 billion yen
Net Interest-bearing Debt	94.5 billion yen
Net DE Ratio	0.57x
Equity	165.2 billion yen
Equity Ratio	49%



Projected Cash Allocation
(Total for FY2023 - FY2025)

Financial position at the end of FY2028

Total Assets	345.0 billion yen
Net Interest-bearing Debt	90.0 billion yen
Net DE Ratio	0.50x
Equity	170.0 billion yen
Equity Ratio	approx. 50%



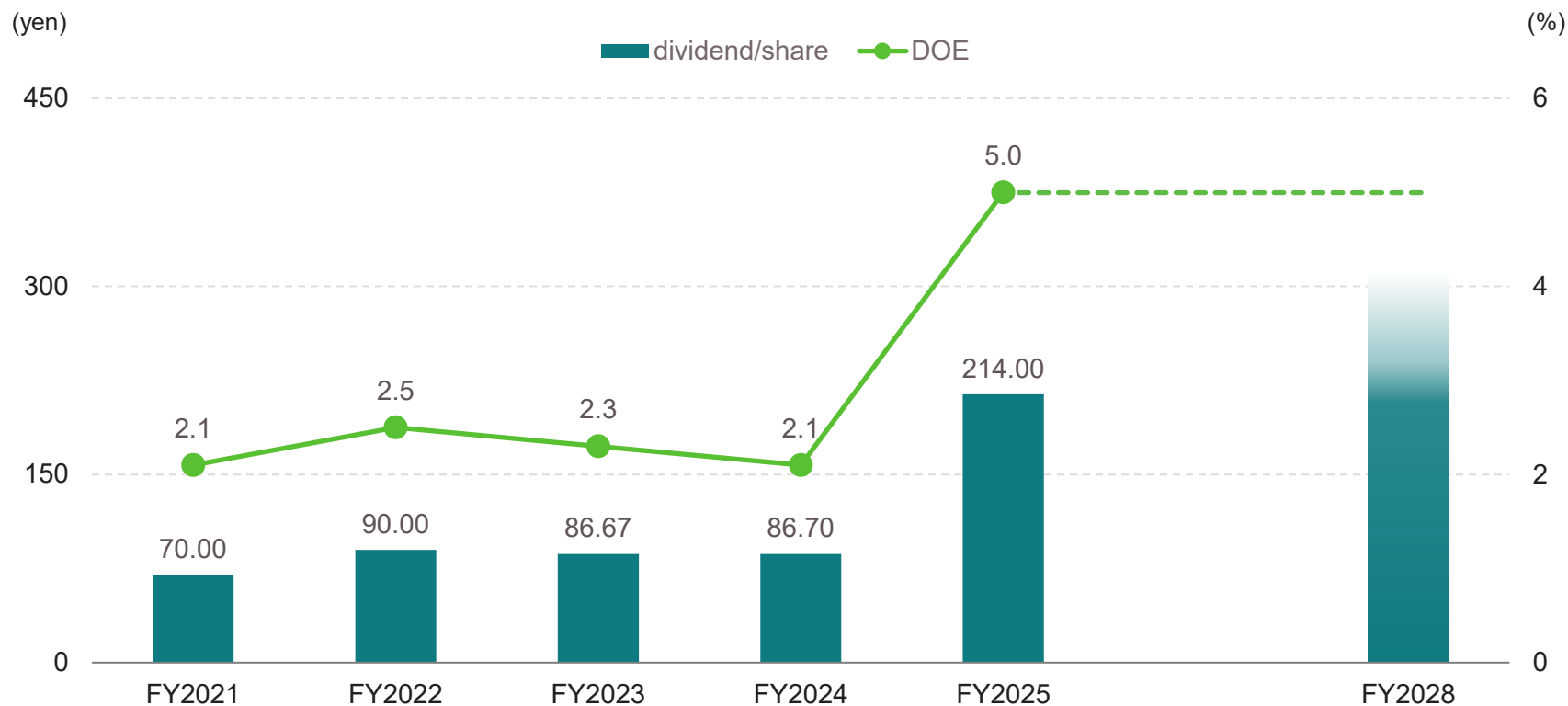
Estimated Cash Allocation
(Total for FY2026 - FY2028)

Details of cash out

Dividend	Total dividends over three years assuming DOE of 5% (Currently no plans to repurchase treasury stock)
R&D Expenses	Total of R&D expenses and R&D investment Actively invest funds to expand our business in the Life Sciences field <ul style="list-style-type: none"> ● R&D expenses 25.0 billion yen ● R&D investment 6.0 billion yen
Investments outlined in the Mid-Term Management Plan	Remaining payments for PVDF capacity expansion investments already planned at the time of the formulation of the Mid-Term Management Plan, as well as maintenance and renewal investments <ul style="list-style-type: none"> ● Capital expenditures 21.5 billion yen ● Environmental investment 1.3 billion yen ● DX investment 1.2 billion yen
Strategic investments	Investments that contribute to the Group's long-term growth <ul style="list-style-type: none"> - Investments in the development of new grades of existing products - Investments to further expand new business creation - M&A investments to accelerate growth

*Operating cash flow excluding R&D expenses

- 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



The Company has identified contributing to a society with low environmental impact and promoting human capital management as material issues related to strengthening its management foundation

Social Issues and Megatrends	Material Issues	Non-financial Capital	Inputs/Initiatives	Output/KPI	Maximizing Non-Financial Capital	Long-Term Goals (FY2035)
<ul style="list-style-type: none"> Population growth Hunger issue 	Contribution to stable food production	Crop protection products development capabilities	<ul style="list-style-type: none"> New product development Open innovation 	<ul style="list-style-type: none"> Product launch 	<ul style="list-style-type: none"> Sustained ability to develop crop protection products Expansion of the portfolio into agricultural inputs 	Crop protection products/agricultural inputs Revenue 40 billion yen or more
<ul style="list-style-type: none"> Declining birthrate and aging population Diversification of lifestyles 	Contribution to a comfortable lifestyle	Brand value	<ul style="list-style-type: none"> New product development 	<ul style="list-style-type: none"> Brand share 	<ul style="list-style-type: none"> Building top brands 	Home products Revenue 40 billion yen or more
<ul style="list-style-type: none"> Accelerating commoditization Increasing energy consumption 	Contribution to energy diversification	Technical expertise Marketing capabilities	<ul style="list-style-type: none"> Application development 	<ul style="list-style-type: none"> Development of new PVDF binders Development of PGA plugs for low-temperature fields 	<ul style="list-style-type: none"> Expansion of the portfolio Access to global markets 	PVDF/PGA Revenue 40 billion yen or more
<ul style="list-style-type: none"> Increasing difficulty of technological innovation 	Strengthening R&D capabilities and technological competitiveness	Business creation capabilities	<ul style="list-style-type: none"> Generating new business themes Promotion of external collaboration Utilization of computer science 	<ul style="list-style-type: none"> Pipeline Number of patents Utilization of computer science 	<ul style="list-style-type: none"> Continuous technological innovation Optimized production systems 	New products Revenue 20 billion yen or more New product ratio 10% or more Profit improvement 7 billion yen or more
<ul style="list-style-type: none"> Intensifying market competition Declining labor force 		Production capabilities	<ul style="list-style-type: none"> Enhancing competitiveness through production transformation Improving productivity through automation 	<ul style="list-style-type: none"> Value created through technology development Workload reduction rate 		
<ul style="list-style-type: none"> Manifestation of climate change impacts Manifestation of long-term changes in the global environment 	Contribution to a society with low environmental impact	Natural capital	<ul style="list-style-type: none"> Reduction of CO₂ emissions Waste reduction and resource recycling Reduction of environmental impact 	<ul style="list-style-type: none"> CO₂ emissions Non-fossil energy utilization rate Coal consumption reduction rate Reduction in waste generation Number of certified eco-friendly products 	<ul style="list-style-type: none"> Minimizing the impact on natural capital 	Carbon neutral by 2050 Increased sales of eco-friendly products
<ul style="list-style-type: none"> Specialization and advancement of business operations Diverse values and work styles 	Promotion of human capital management	Human capital	<ul style="list-style-type: none"> Development and utilization of human capital Fostering a willingness to take on challenges Creating a pleasant work environment Promotion of health and productivity management 	<ul style="list-style-type: none"> Educational satisfaction Engagements Annual paid leave utilization rate Indicators related to health promotion initiatives 	<ul style="list-style-type: none"> Utilization of diverse human capital 	Continuously enhancing engagements

Contributing to a sustainable society

Foundation for sustainable growth

4 Mid-Term Management Plan (FY2026 - FY2028) - Technology to Value 2028 -

4-1. Basic Policies and Goals

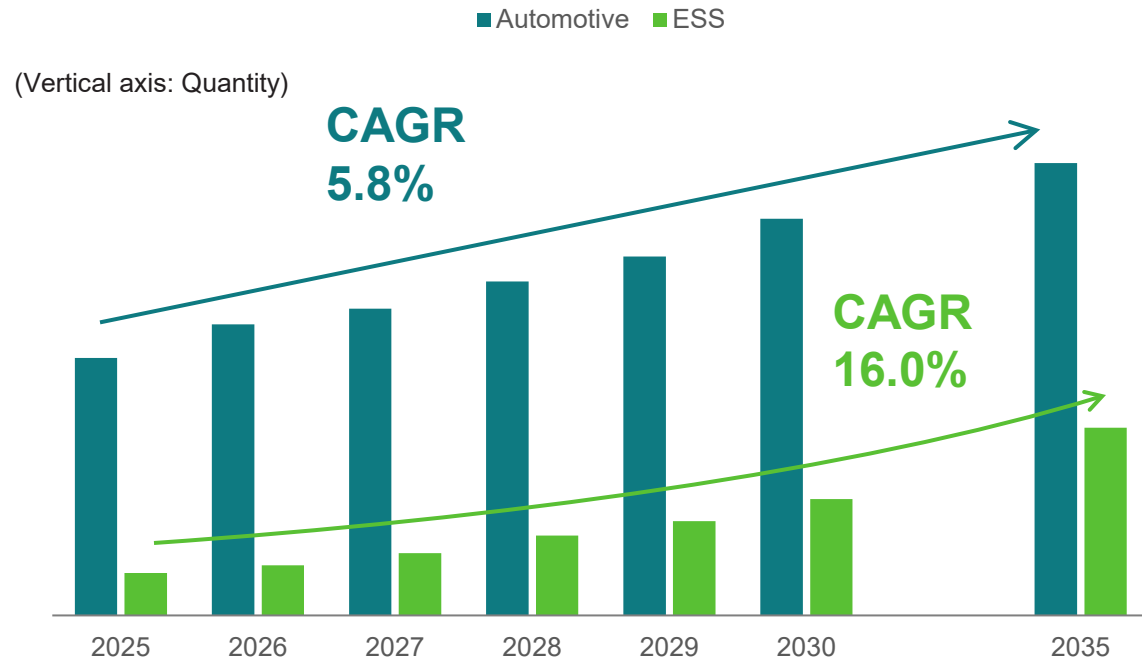
4-2. Strategy for Core Businesses, New Business, Research and Technology

4-3. Strengthening the Management Base

- While automotive applications will remain the primary driver of lithium-ion battery (LiB) demand by application, ESS is expected to see a higher average growth rate through 2035
- The LiB market is shifting from “an EV-centric focus” to “a dual-pillar structure of EVs and ESSs”

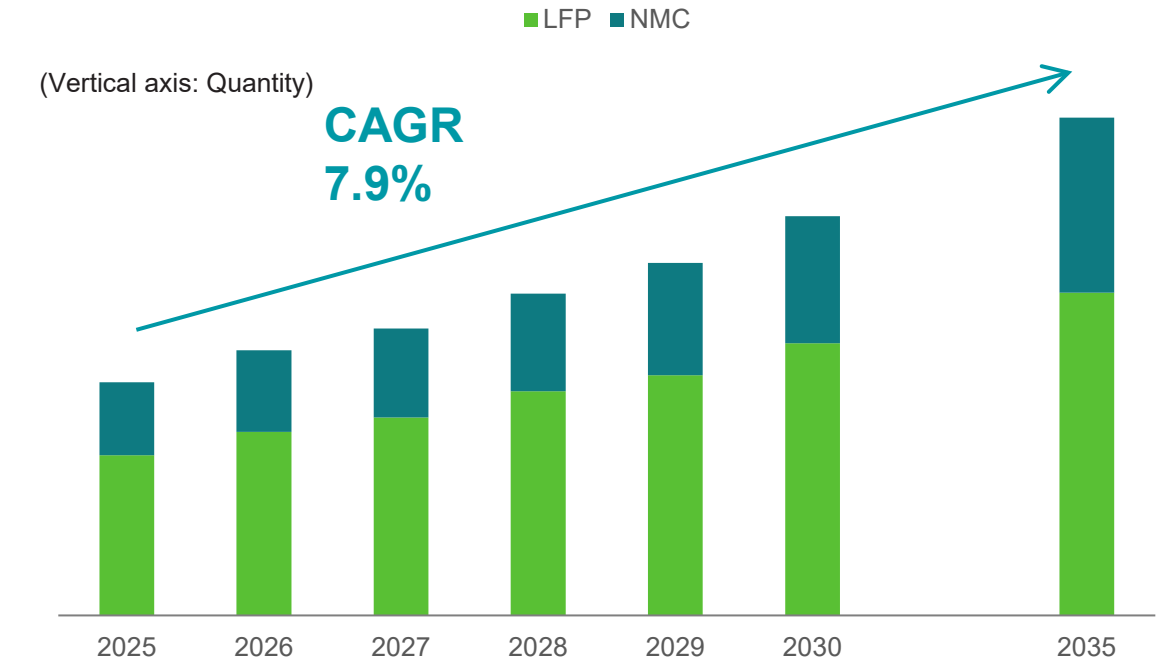
Demand for Cathode Binder for LiBs by Application (ESS + Automotive)

*Company Forecast



Demand for Cathode Binder for LiBs by Battery Type (NMC + LFP)

*Company Forecast

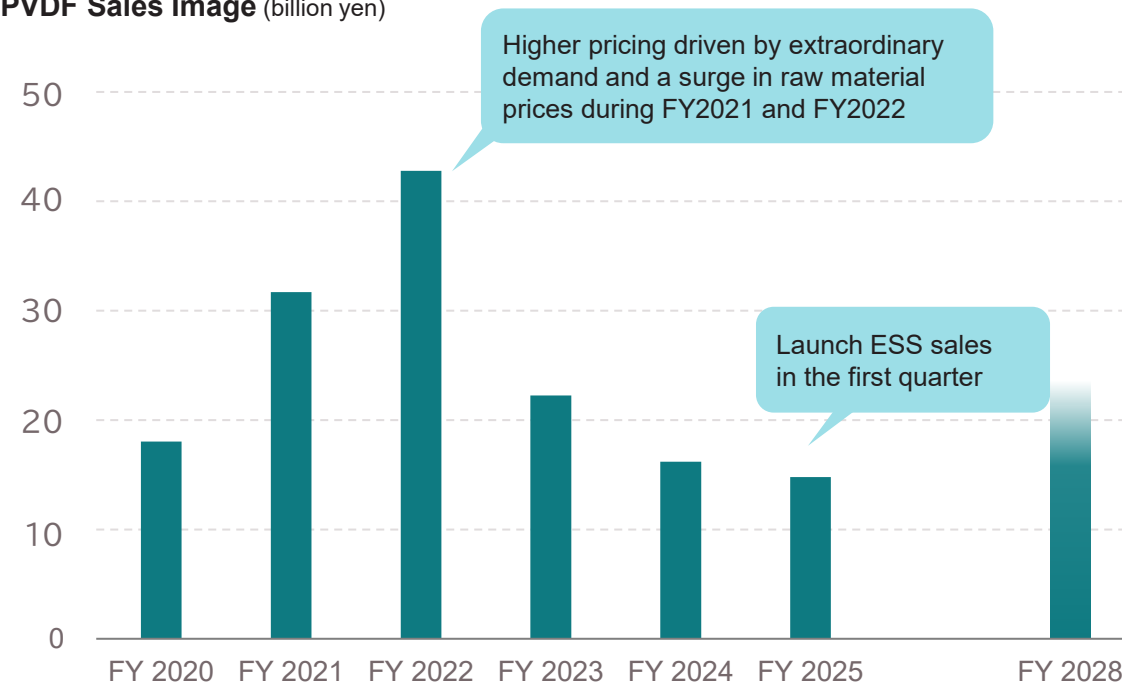


- For LFP LiB, we will expand sales and diversify applications, starting with the ESS applications already on the market, while also aiming for new adoption in EV applications
- In industrial applications, we aim to expand sales into semiconductor manufacturing equipment and water treatment applications, and broaden business scope by acquiring new customers
- We will improve capacity utilization by increasing sales volume through expanded sales of existing products and the introduction of new grades. As part of our risk management measures, we will advance the development of an optimal production framework.

Full-Scale Entry into LFP LiB and Diversification of Applications

Battery application	LFP LiB EV applications	<ul style="list-style-type: none"> Currently proposing a new grade with improved adhesion to enhance battery performance Full-scale entry into projects with Chinese and South Korean manufacturers with finalized formulation (aiming for shipments from the first half to the middle of FY2027)
	LFP LiB ESS applications	<ul style="list-style-type: none"> Focus on expanding sales for data centers where demand is growing In addition to expanding sales to existing major battery manufacturers, we aim to acquire new customers through the introduction of new grades
	NMC LiB EV applications	<ul style="list-style-type: none"> Adopted for new EV and LiB projects in Japan The new grades have received positive feedback from target customers. Advancing formulation optimization and adjustments (target shipment in FY2028)
Industrial applications		<ul style="list-style-type: none"> Expanding sales to semiconductor manufacturing equipment and water treatment applications Set a timeline for commercializing new applications

PVDF Sales Image (billion yen)



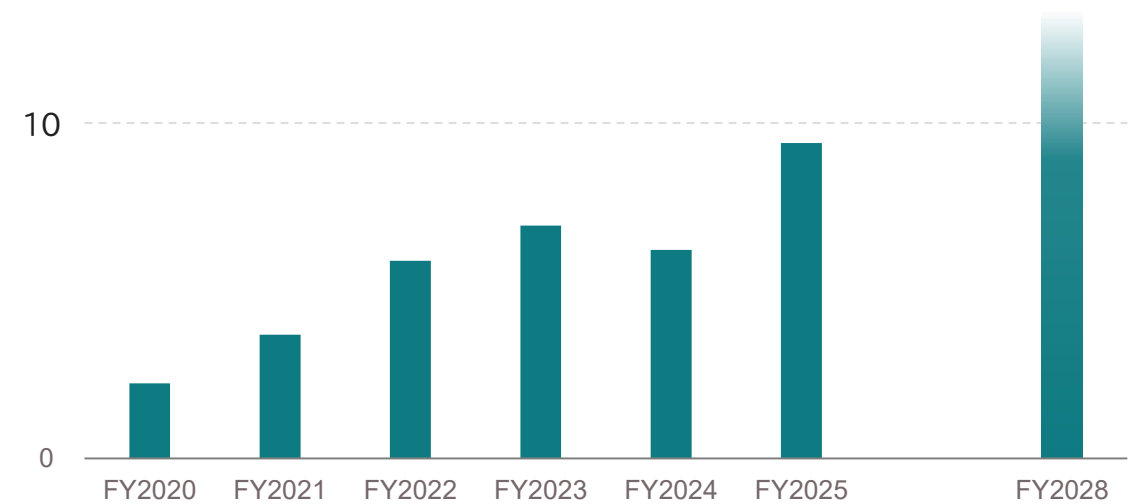
- We will aim to expand sales in gas fields (for medium- and high-temperature fields), where business is strong due to growing data center demand and increasing LNG exports, while launching products for low and ultra-low temperature fields to increase unit sales. Improve profitability and enhance product appeal by shortening the product length
- Aim to improve profitability by steadily implementing various cost reduction measures such as optimization of processing and production systems as well as logistics
- Increase sales by expanding into promising markets outside the United States
- We will initiate a fundamental review of the business structure if the business fails to return to profitability in FY2026

Measures to Maximize Profit

New grade for low-to ultra-low-temperature	<ul style="list-style-type: none"> ● Conduct field tests steadily to optimize the mass production process and expand the size lineup.
Plug length shortening	<ul style="list-style-type: none"> ● Promote shortening of plugs to improve ease of handling for customers. ● Proceed with the transition in stages after customer approval, with the goal of replacing 90% by FY2028.
Market development outside the United States	<ul style="list-style-type: none"> ● Aim to begin shipments to Argentina and the Middle East in FY2026. ● Continue to actively promote the development of new applications.

PGA Sales Image

(billion yen)



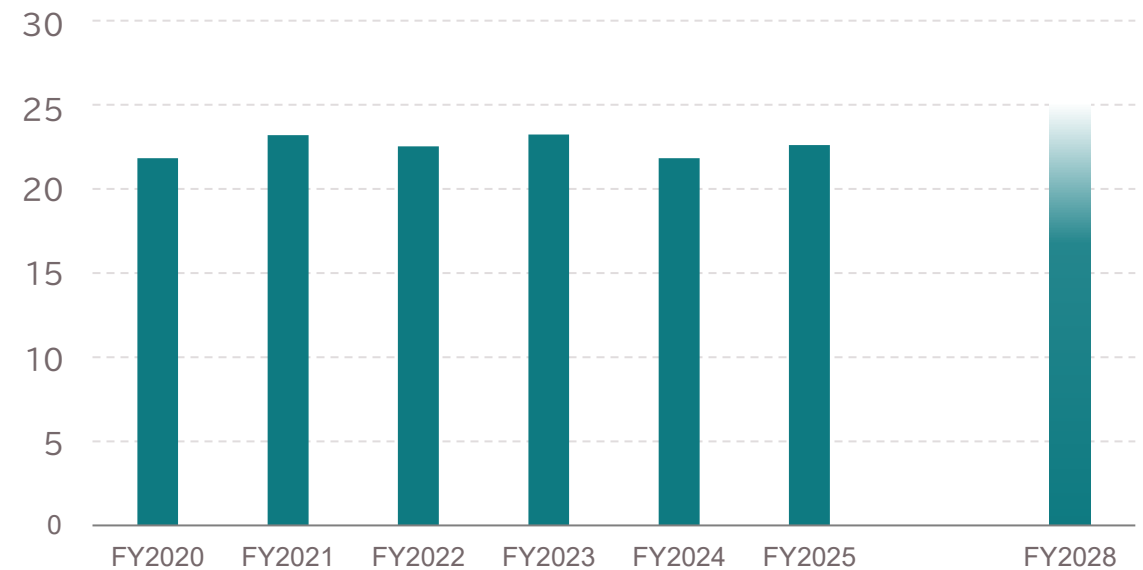
- In the home products business, we have established a product portfolio comprising five brands in the kitchen consumables market, and aim to expand sales by strengthening these brands
- Implement marketing strategies in each segment of the kitchen consumables market with the aim of expanding market share
- Aim to enter new categories and acquire new customers by expanding lineup of derivative and standard products across five brands, as well as by launching new brands
- NEW Krewrap aims to further increase sales by enhancing product value and strengthening advertising, sales promotion, and sales strategies

Kitchen Consumables

- Aim to expand the market through proactive product development and by tapping into potential demand
- Implement comprehensive advertising and promotional strategies tailored to the characteristics of each media, including TV and SNS
- Conduct continuous promotional campaigns to propose new lifestyle habits to consumers and encourage active purchasing
- Strengthen manufacturing, distribution, and sales initiatives, and implement area-based marketing



Sales Trends (billion yen)



Strengthening the foundation to accelerate commercialization and profitability

Advancing technology development and marketing through the selection and development of highly specialized professionals and DX professionals

Introducing a technology platforms that serve as the foundation for innovation creation

Strengthening development environment through the introduction of DX technology infrastructure, including generative AI



Segment	Key Initiatives
Creation of innovation	<ul style="list-style-type: none"> ● Reduce lead time for launching new products and grades by strengthening human resources, facilities, and DX ● Roll out new business marketing methods across the entire technology division and accelerate market-driven technology development
Achieve and improve profitability	<ul style="list-style-type: none"> ● Solve company-wide technical issues by leveraging cutting-edge technologies -----> Strengthening technology development capabilities ● Introduce intelligence functions in business units, accurate identification of needs -----> Strengthening scenario planning ● Optimal allocation of resources in production and automation of production -----> Enhancing cost competitiveness ● Implement the new organizational structure for R&D and production technology -----> Flexible use of development resources

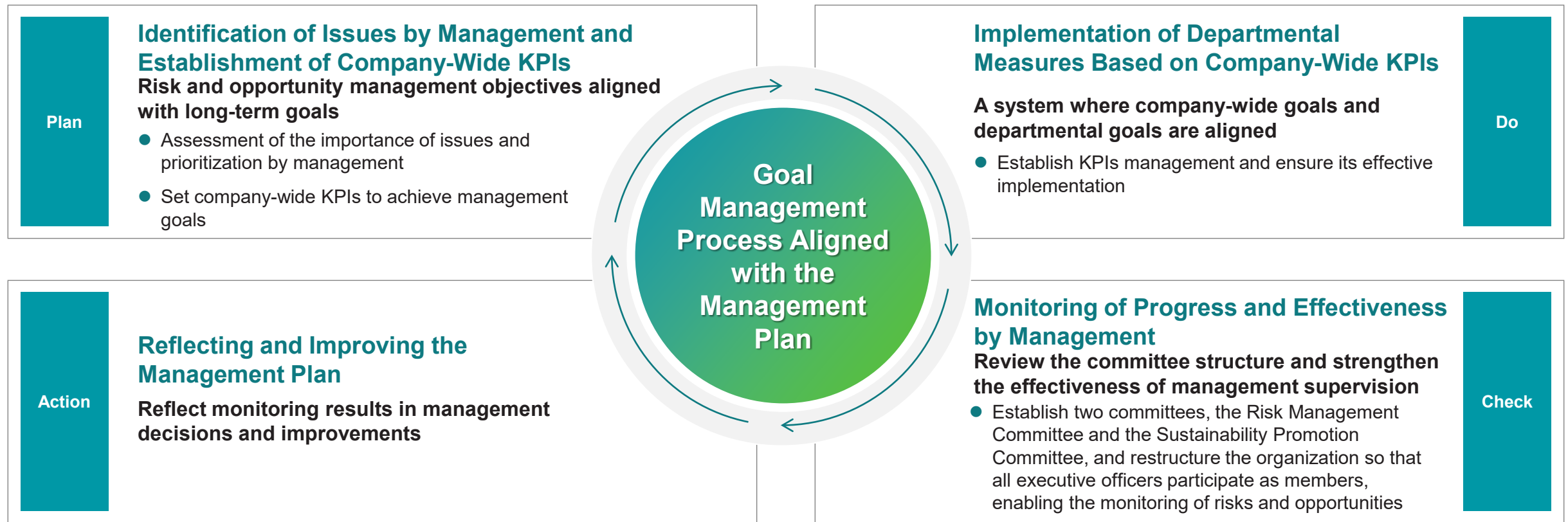
4 Mid-Term Management Plan (FY2026 - FY2028) - Technology to Value 2028 -

4-1. Basic Policies and Goals

4-2. Strategy for Core Businesses, New Business, Research and Technology

4-3. Strengthening the Management Base

- Under the supervision of the Board of Directors, management is responsible for using KPIs to carry out PDCA, integrated with management plans for risk management and sustainability
- Comprehensively manage key risks and material issues to simultaneously reduce risks and create opportunities for mid- to long-term growth



We address global environmental issues such as climate change and the loss of natural capital, pursuing a dual-track approach that balances the mitigation of environmental risks with the maximization of business opportunities

FY2050 Achieve Carbon Neutrality

Kureha Group's CO₂ Emission Reduction Targets

Achieve carbon neutrality in FY2050

Reduce energy-related CO₂ emissions by at least 30% in FY2030 compared to FY2013 levels

- Conducted a technical study on the co-firing of biomass fuels to reduce coal consumption, and have established a clear path toward achieving FY2030 targets.
- We will conduct verification tests, such as co-firing tests, and plan to increase the proportion of non-fossil energy and reduce coal consumption in line with the restructuring of business portfolio.

Resource Recycling Initiatives

- Achieved the zero-waste emission rate target of 1.5% (landfill disposal rate) in FY2025
- Aim to achieve even more environmentally friendly production by reducing waste generation and increasing waste recycling rate

Reduction of Environmental Impact

- Increase proportion of environmentally friendly products through our transition plan to carbon neutrality, resource recycling initiatives, and environment-related risk management

We will develop human resources with “Ingenuity, Passion, and Spirit of Co-Creation”, and foster vibrant organizations and workplaces where each employee can proactively grow and embrace challenges under a foundation of mutual trust



Promoting employee growth and challenges

Development and utilization of human capital

- Strategic talent acquisition and development to support the Kureha Vision and align with management strategy
- Support the autonomous growth of each employee

Fostering a willingness to take on challenges

- Enhancement of voluntary learning programs
- Dialogue between management and employees
- Launch an internal job posting system

An environment where employees can work with vitality and peace of mind

Creating a pleasant work environment

- Maintain and enhance rates of paid leave utilization and male employees' childcare leave uptake
- Enhance various programs and promote their use

Promotion of health and productivity management

- Enhancement of health promotion programs
- Continue being a Certified Health & Productivity Management Outstanding Organization



A diverse workforce with high engagement thrives in a safe and supportive environment

Appendix

Our value creation process is to deploy financial capital and our strengths in non-financial capital to create enriched lifestyles through corporate activities and products, while simultaneously maximizing both financial and non-financial capital

