

## Notice Regarding Change in Dividend Policy (Introduction of DOE)

Kureha Corporation hereby announces that its Board of Directors today has resolved to change its dividend policy as follows.

### 1. Background and Reasoning for Dividend Policy Change

Under the Mid- to Long-Term Management Plan, "Toward Creating a New Future (FY2023-2030) – the Rolling Plan 2025, we have been promoting balance sheet management with a greater focus on capital efficiency. This includes strengthening profitability through initiatives to expand profits in existing businesses, company-wide cost reductions, and enhancing shareholder returns.

However, due to factors such as the sluggish electric vehicle market in Europe, our return on equity (ROE) declined to 3.6% in FY2024, and our price-to-book ratio (PBR) has remained below 1. To address this situation, we will intensify efforts to improve profitability across all existing businesses. At the same time, we recognize that stable dividend payments are essential to enhancing shareholder value.

Accordingly, we have decided to revise our dividend policy, shifting from a dividend payout ratio and total payout ratio approach to one based on DOE (Dividend on Equity), which ties dividends to consolidated shareholders' equity.

To ensure that this change does not place an excessive financial burden on the company, we plan to utilize proceeds from asset sales, including cross-shareholdings. For the two fiscal years from FY2025 to FY2026, we will target dividend payments based on a DOE of approximately 5%.

### 2. Details of the change (The underlined indicates the changes)

[Before the change]

- Our basic policy on the distribution of earnings is to maintain stable dividends with a target dividend payout ratio of 30% or more, while enhancing internal reserves to enable active investment in future business expansion. Moreover, a minimal annual dividend is set at ¥86.7 per share until FY2025.
- To further meet shareholders' expectation and improve stock prices, we aim for a total payout ratio of 50% or more through share buybacks and acquire approximately ¥40 billion in treasury stock during the three-year period from FY 2023 through FY2025.

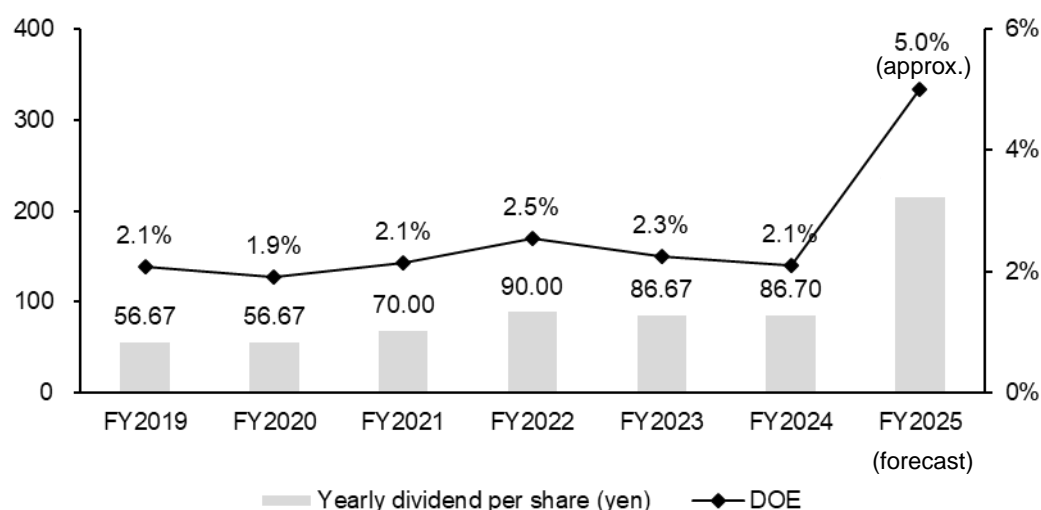
[After the change]

- Our basic policy on the distribution of earnings is to maintain stable dividends while enhancing retained earnings to support proactive investments for future business development. Starting from FY2025, we will adopt DOE (Dividend on Equity) as the standard for dividend distribution.
- For FY2025 and FY2026, we aim to provide dividends based on a DOE of approximately 5%.
- To further meet shareholders' expectation and improve stock prices, we aim for a total payout ratio of 50% or more through share buybacks and acquire approximately ¥40 billion in treasury stock during the three-year period from FY2023 through FY2025.

### 3. Timing of the change

This will be applied starting from FY2025.

(Reference) Annual dividend per share and DOE



Kureha conducted a three-to-one share split on January 1, 2024. All figures in the chart above are presented on a post-split basis.

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