

# **FY2024 Financial Report**

**KUREHA CORPORATION**

May 12, 2025

## I . FY2024 Results and FY2025 outlook

- Summary of FY2024 and FY2025 ( 3 ) ~ ( 4 )
- Variance Analysis of Operating Profit ( 5 ) ~ ( 6 )

## II . Progress in the Mid- to Long-Term Management Plan, The Rolling Plan 2025

- Performance Targets and Key Performance Indicators (KPIs) ( 8 )
- Measures for Corporate Value Improvement ( 9 )
- PVDF Business ( 11 ) ~ ( 12 )
- PGA Business ( 13 ) ~ ( 14 )
- Agrochemicals Business ( 15 )
- Home Products Business ( 16 )
- Enhance Cost Competitiveness ( 17 )
- Risks Related to the External Environment ( 18 ) ~ ( 19 )
- Progress in New Product and Business Development ( 20 ) ~ ( 21 )
- Business Portfolio ( 22 )

- Improving Capital Efficiency to Enhance Corporate Value ( 24 )
- Approach to Equity ( 25 )
- Balance Sheet Efficiency ( 26 )
- Changes in Dividend Policy ( 27 )
- Shareholder Returns ( 28 )
- Capital Strategies ( 29 )
- Progress on Reducing Environmental Impact ( 31 )
- Synergism Between Company and Employees ( 32 )

## Supplementary Materials

- FY2024 Financial Result ( 35 ) ~ ( 39 )
- FY2025 Financial Outlook ( 41 ) ~ ( 44 )
- Key Indicators ( 46 ) ~ ( 48 )

# **I. Summary of FY2024 and FY2025**

# Summary of FY2024

KUREHA CORPORATION

## FY2024 Results

### Revenue and Profit

				(billion yen)	
FY2024 FY2023				FY2024 2Q	
	Results	Results	YoY	Forecast	YoY
Advanced Materials	57.4	64.5	-7.1	57.0	0.4
Speciality Chemicals	30.7	33.9	-3.3	30.0	0.7
Speciality Plastics	40.5	47.3	-6.8	40.0	0.5
Construction	14.8	13.9	0.9	15.0	-0.2
Other Operation	18.6	18.2	0.4	18.0	0.6
<b>Revenue</b>	<b>162.0</b>	<b>178.0</b>	<b>-16.0</b>	<b>160.0</b>	<b>2.0</b>
Advanced Materials	-2.0	4.8	-6.8	-0.5	-1.5
Speciality Chemicals	0.6	1.7	-1.1	0.9	-0.3
Speciality Plastics	7.1	8.2	-1.1	6.0	1.1
Construction	1.4	1.5	-0.1	1.0	0.4
Other Operation	2.9	2.5	0.4	2.1	0.8
<b>Core operating profit</b>	<b>10.0</b>	<b>18.6</b>	<b>-8.6</b>	<b>9.5</b>	<b>0.5</b>
Adjustment	-0.6	-5.8	5.3	0.5	-1.1
<b>Operating profit</b>	<b>9.4</b>	<b>12.8</b>	<b>-3.4</b>	<b>10.0</b>	<b>-0.6</b>
<b>Profit*</b>	<b>7.8</b>	<b>9.7</b>	<b>-1.9</b>	<b>7.0</b>	<b>0.8</b>

\*Profit attributable to owners of the company

EBITDA	22.1	24.5	-2.3	22.4	-0.3
ROE	3.6%	4.5%		3.3%	
PBR	0.66	0.68			
Equity ratio	61%	67%		59%	

## VS FY2023

- The PVDF business recorded lower revenue and profit as a result of reduced sales driven by a stagnation in the EV market, especially in Europe. Consequently, operating rates were lowered and production was adjusted, and an inventory valuation loss was recognized.
- PGA profit decreased due to less gain on reversal of the loss on valuation of inventories.
- Revenue and profit in agrochemicals declined due to inventory adjustments by customers.
- Revenue and profit in commercial-use packaging materials decreased due to the end of sales of heat-shrinkable multilayer (ML) film.
- The elimination of one-off expenses related to the withdrawal from businesses and the suspension of capital investments in the previous fiscal year led to an increase in Adjustments.

ROE Profit declined and fell below the previous year's level.

PBR Our stock price remains stuck in a low range due to the decline in earnings and the impact of reciprocal tariffs imposed by the U.S.

Equity ratio Decreased due to higher interest-bearing debt and share buybacks.

## VS Revised Forecast at 2Q

- Core operating profit exceeded the forecast announced at 2Q, but Adjustments were negative due to the postponement of some asset sales to the next fiscal year, resulting in a shortfall in operating profit.

FOREX	FY2024 Actual	FY2023 Actual	FY2024 Revised Forecast
(¥/USD)	152.6	144.6	150.0
(¥/EUR)	163.9	156.8	163.0
(¥/CNY)	21.1	20.1	21.0

# Summary of FY2025

KUREHA CORPORATION

## FY2025 Forecast

### Revenue and Profit

				(billion yen)	
				26/3 RP2025	
	FY2025 Forecast	FY2024 Results	YoY	Forecast	Diff.
Advanced Materials	64.0	57.4	6.6	81.0	-17.0
Speciality Chemicals	30.0	30.7	-0.7	30.0	-
Speciality Plastics	38.0	40.5	-2.5	44.0	-6.0
Construction	15.0	14.8	0.2	30.0	3.0
Other Operation	18.0	18.6	-0.6		
<b>Revenue</b>	<b>165.0</b>	<b>162.0</b>	<b>3.0</b>	<b>185.0</b>	<b>-20.0</b>
Advanced Materials	2.6	-2.0	4.6	10.0	-7.4
Speciality Chemicals	1.1	0.6	0.5	1.0	0.1
Speciality Plastics	7.2	7.1	0.1	7.0	0.2
Construction	0.9	1.4	-0.5	2.0	0.6
Other Operation	1.7	2.9	-1.2		
<b>Core operating profit</b>	<b>13.5</b>	<b>10.0</b>	<b>3.5</b>	<b>20.0</b>	<b>-6.5</b>
Adjustment	0.5	-0.6	1.1	0.5	
<b>Operating profit</b>	<b>14.0</b>	<b>9.4</b>	<b>4.6</b>	<b>20.0</b>	<b>-6.0</b>
<b>Profit*</b>	<b>10.0</b>	<b>7.8</b>	<b>2.2</b>		

\*Profit attributable to owners of the company

EBITDA	26.3	22.1	
ROE	4.9%	3.6%	8.0% or more
PBR	—	0.66	1.0 or above
Equity Ratio	57%	61%	50% approx.

## VS FY2024

- PVDF revenue and profit increased due to increased revenue resulting from adoption for ESS applications in the U.S. and the elimination of inventory valuation losses in the previous fiscal year.
- PGA revenue and profit increased due to sales expansion targeted at low-temperature shale oil and gas fields.

ROE Higher than FY2024 due to profit improvement and share buybacks.

Equity ratio Reduced due to higher interest-bearing debt and share buybacks.

## VS “the Mid- to Long-Term Management Plan, the Rolling Plan 2025” (RP2025)

- PVDF underperformed against the plan due to slower-than-expected expansion of the EV market.
- PGA underperformed against the plan due to a temporary slowdown in the shale gas drilling market and delays in the development of new products for low-temperature fields.

[Change in dividend policy]

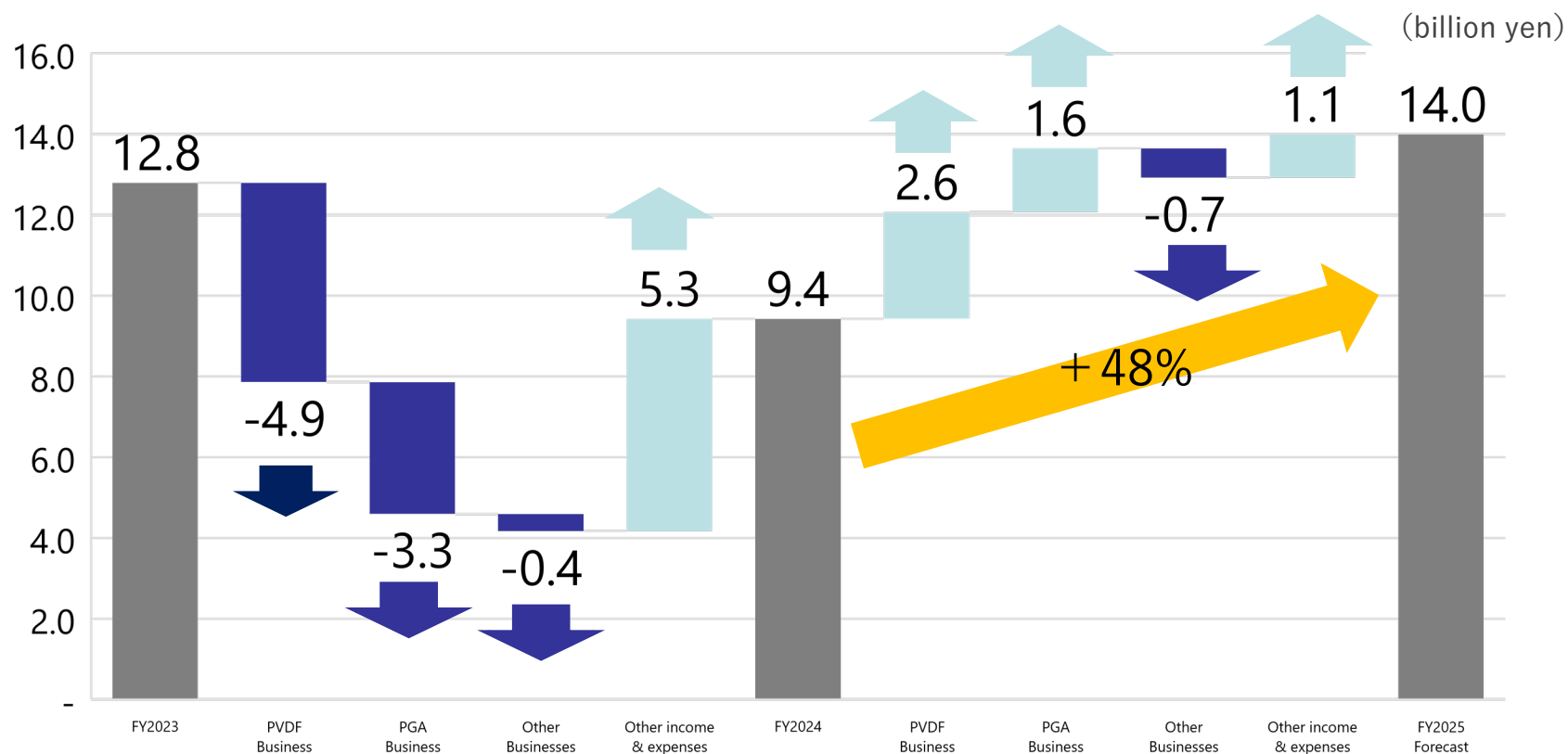
- We have decided to introduce DOE from FY2025. The target for FY2025-FY2026 is approx. 5%.
- There will be no change from RP2025 in terms of share buybacks in FY2025 (approximately ¥15 billion will be repurchased in FY2025).

FOREX	FY2025 Forecast	FY2024 Actual	FX sensitivity
			*Impact of one-yen depreciation on operating profit per FY2025
(¥/USD)	145.0	152.6	An increase of ¥0.11bn
(¥/EUR)	160.0	163.9	An increase of ¥0.02bn
(¥/CNY)	20.0	21.1	An increase of ¥0.03bn

# Variance Analysis of Operating Profit

KUREHA CORPORATION

With FY2024 marking the bottom of our performance, we expect a significant improvement in profitability in FY2025, driven by the recovery of the PVDF and PGA businesses.



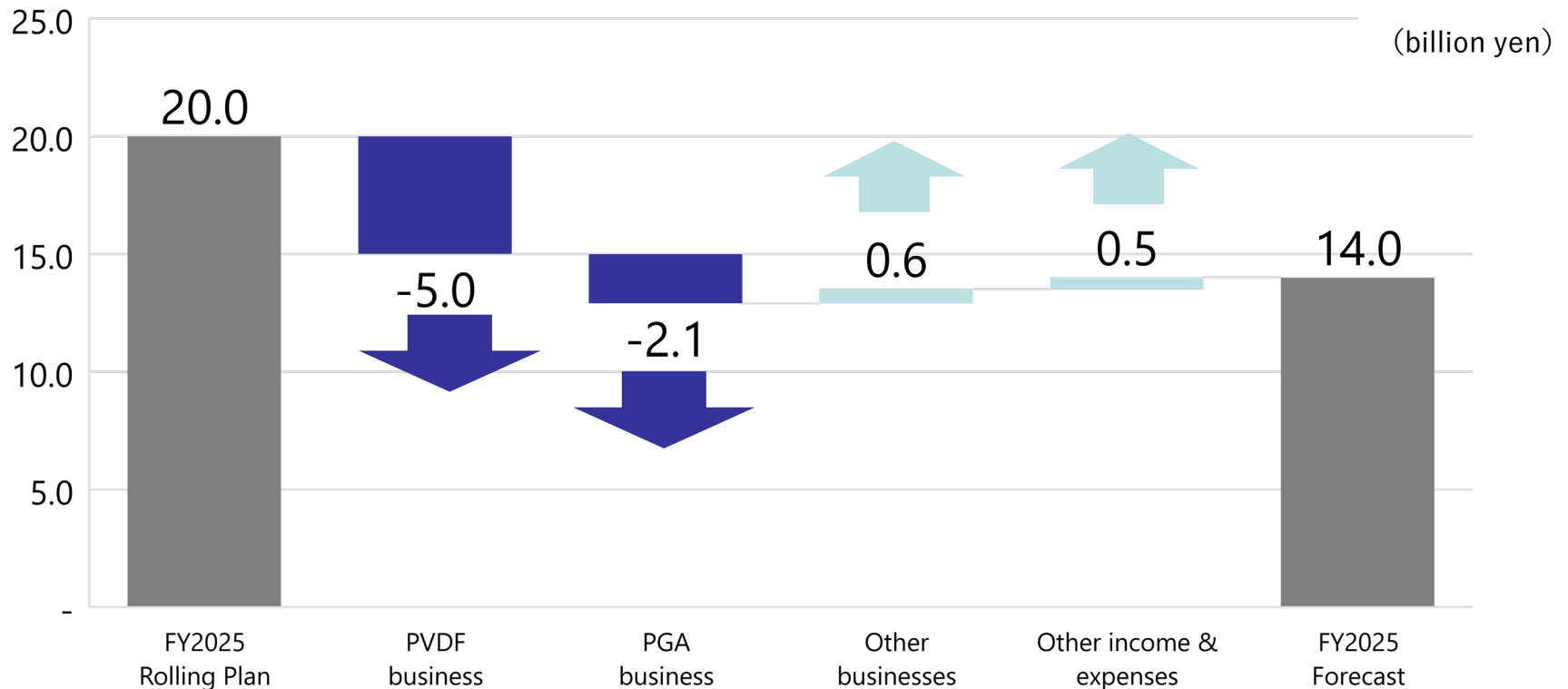
**KUREHA**

# Variance Analysis of Operating Profit (vs Mid- to Long-Term Management Plan)

KUREHA CORPORATION

**PVDF business:** Despite expectations for a recovery in market conditions from PY, its sales significantly lower than the Rolling Plan.

**PGA business:** Continued deterioration in the business environment resulted in persistent losses, preventing a return to profitability.



## **II . Progress in in the Mid- to Long-Term Management Plan The Rolling Plan 2025**

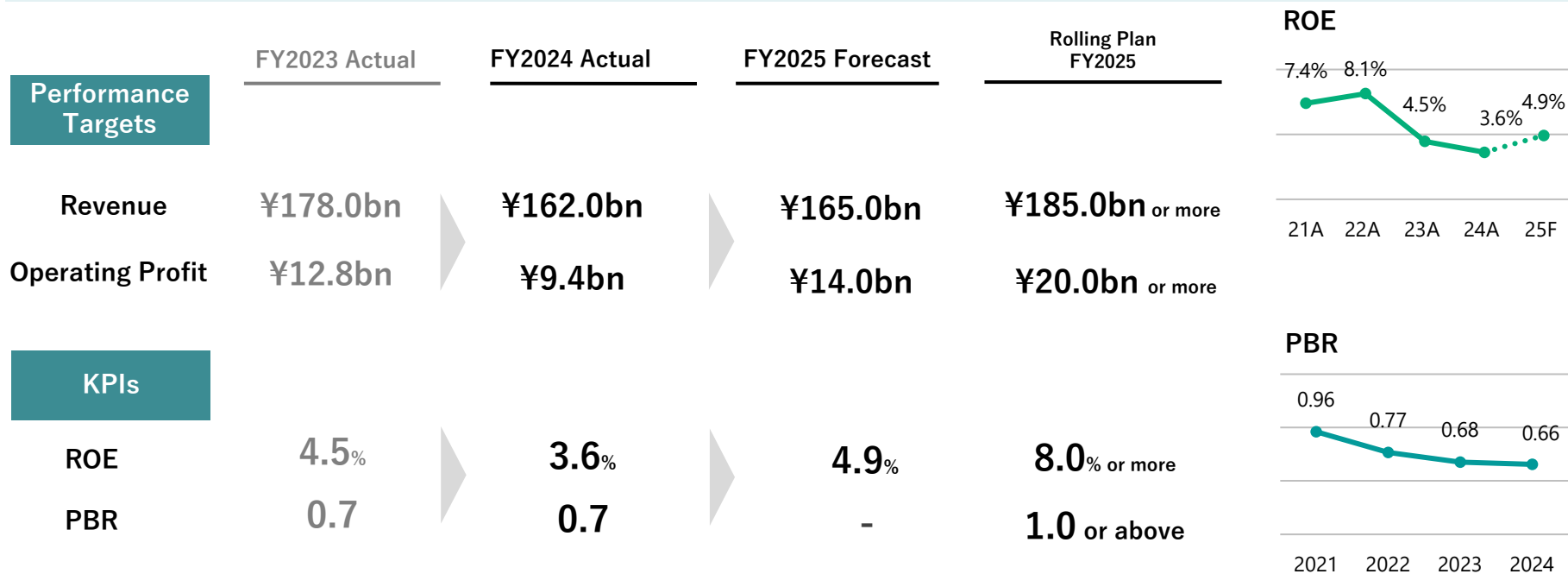


# Performance Targets and Key Performance Indicators (KPIs)

KUREHA CORPORATION

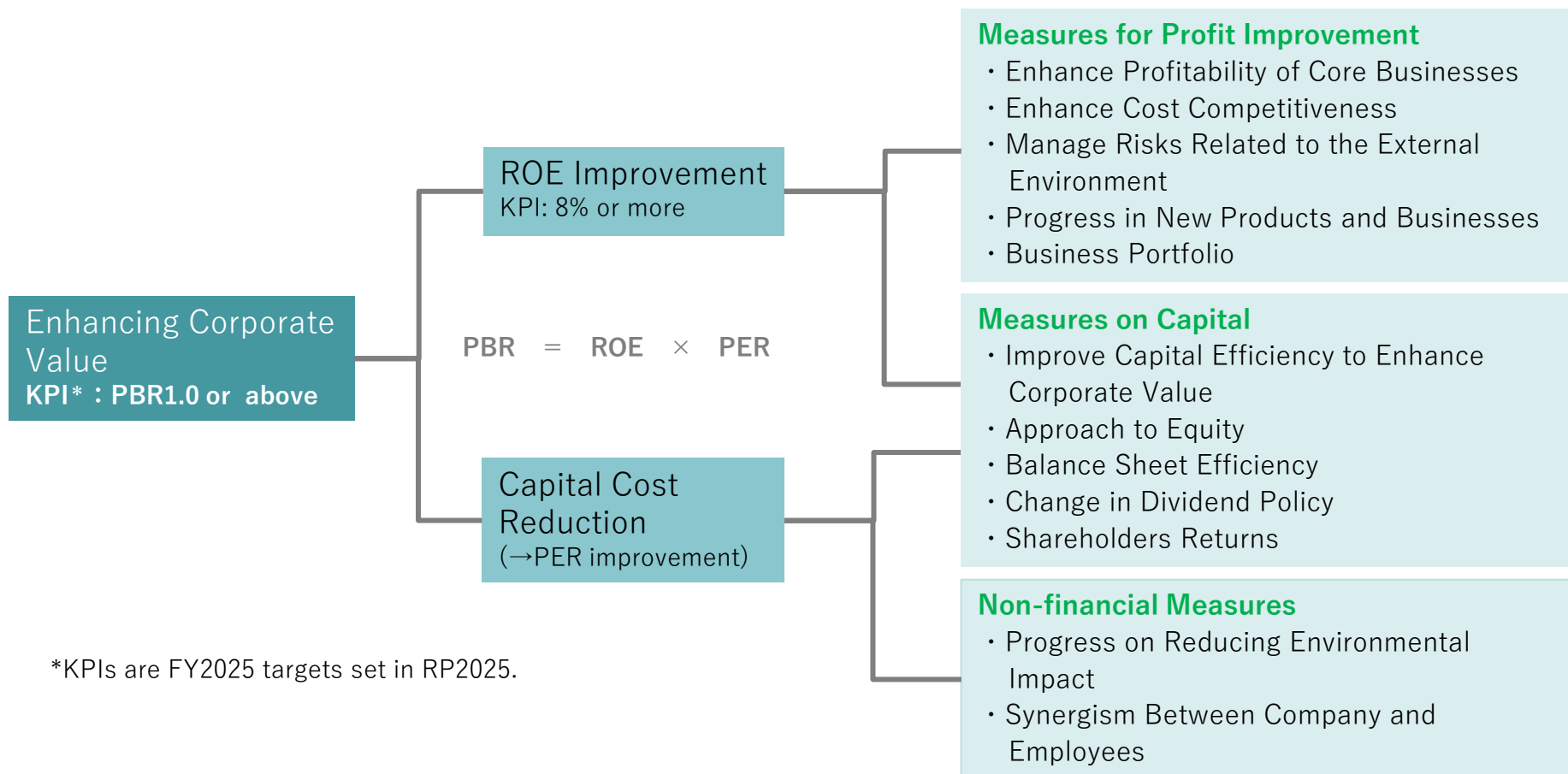
## ■ Measures to Improve ROE

- To improve capital efficiency, we have implemented measures to optimize our balance sheet (improving the denominator of ROE). However, due to the deteriorating performance of our PVDF and PGA businesses (affecting the numerator of ROE), ROE declined in fiscal year 2024.
- As improving profitability (the numerator of ROE) is our top priority, we will concentrate research resources in the PVDF and PGA businesses to develop new products and new grades, aiming to drive revenue growth. In addition, we will continue to pursue aggressive expansion strategies across our existing businesses to strengthen the overall profit base.
- Cost reduction initiatives launched in FY2024 will be maintained through FY2025. At the same time, as a mid- to long-term initiative, we have launched a production innovation project to transform our manufacturing framework to make our factory globally competitive.



# Measures for Corporate Value Improvement

KUREHA CORPORATION

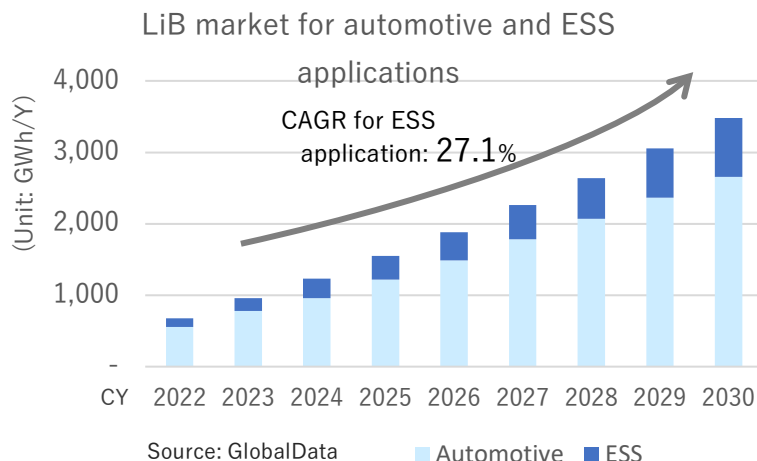


To enhance corporate value by improving ROE and lowering the cost of capital, we have been working to improve profitability and capital efficiency, while advancing initiatives aimed at reducing environmental impact and fostering a harmonious relationship between the company and its employees.

## **II . Progress in in the Mid- to Long-Term Management Plan The Rolling Plan 2025**

- Profit Improvement Measures
- Capital Measures
- Non-financial measures

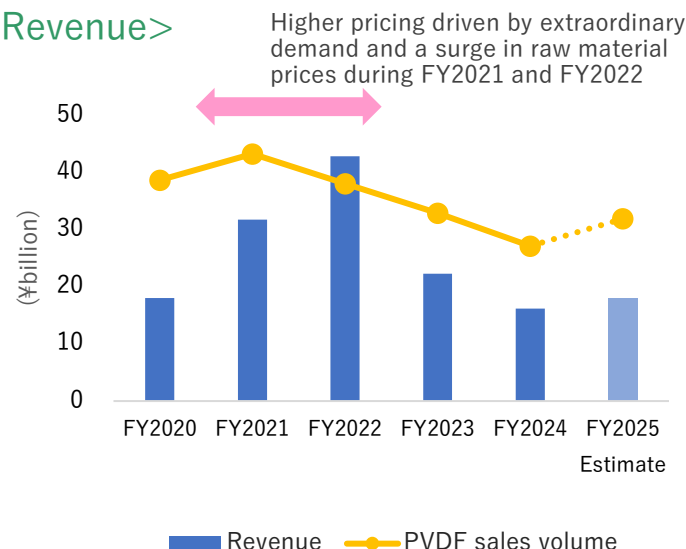
## <LiB Market>



Although automotive applications are expected to expand in the medium- to long-term, near-term growth will be centered on the Chinese market, and growth in the mainstay European and the U.S. markets is expected to be limited in FY2025.

On the other hand, ESS applications recorded YoY growth of approximately 50% in FY2023 and FY2024. They are expected to continue expanding at an annual rate of approx. 20% going forward.

## <Revenue>



Sales volume for automotive applications is expected to remain largely flat in FY2025, as demand recovery in Europe and full-scale market expansion in the U.S. are anticipated to occur from FY2026.

Sales volume for ESS applications is projected to grow by up to 20% in FY2025, based on our shipment volume.

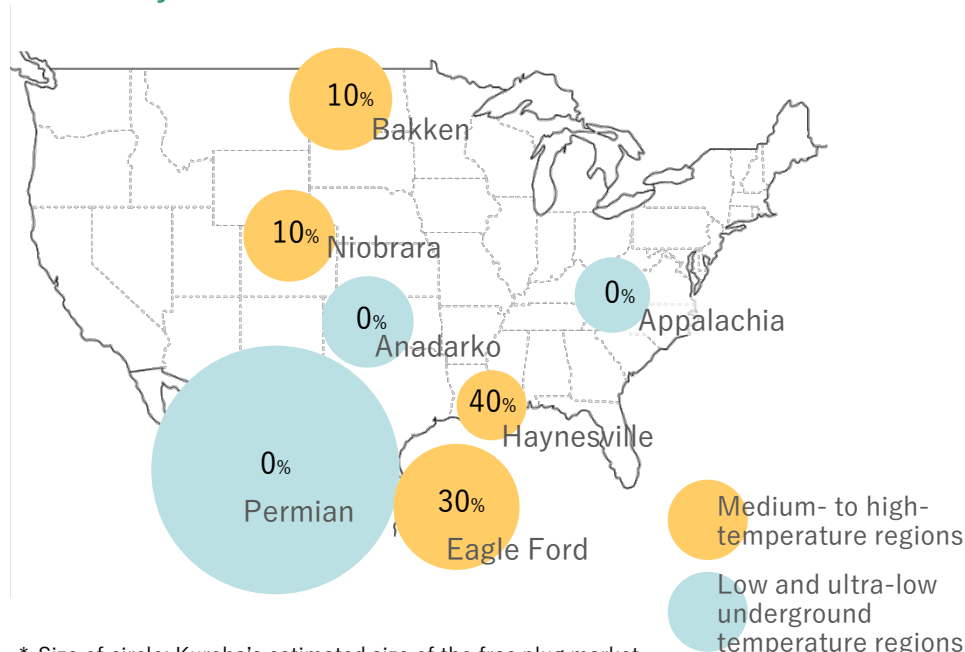
In FY2024, the business recorded a net loss due to lower operating rates, production adjustments, and the recognition of an inventory valuation loss. In FY2025, the business is expected to return to profitability, supported by increased sales for ESS applications and the absence of the inventory valuation loss recorded in FY2024.

	Progress in FY2024	Measures for FY2025
Ternary LiB for automobile application of Japanese EV and LiB projects	Evaluation of our samples has begun at customer laboratories for new Japanese EV and LiB projects.	Proceed with sample prototyping on actual equipment and expanded customer evaluation for the new Japanese EV and LiB projects. (Targeting shipment in FY2027)
Develop of new grades for ternary LiB on automobile application	Sample prototyping has begun at our in-house lab, and customer lab evaluations are underway.	Continue formulation tuning and customer evaluation in preparation for sales to existing and new major battery manufacturers. (Targeting shipment in FY2028)
Develop of new grades for LFP-based LiB on automobile application	The newly developed binder has been confirmed in laboratory evaluations to improve battery performance compared to competitors' products, and expanded evaluations are underway at LiB manufacturers for automotive applications.	Aim to win more projects for automotive applications with the new grade.  Customer evaluation of actual equipment prototypes is underway as we work toward entry into a major automotive project. (Targeting shipment in FY2026)
Expand sales of ESS applications for LiBs	Battery demand for ESS applications in North American data centers is in full swing. Orders have been received from existing major battery manufacturers, with shipments scheduled to begin in early FY2025.	In addition to expanding sales to existing major battery manufacturers, we will proceed with customer evaluations in order to acquire new customers for the same application.
Expand of industrial applications	We have begun conducting customer evaluations and surveys to obtain necessary certifications aimed at expanding sales for semiconductor manufacturing and water treatment applications.	For semiconductor manufacturing applications, we are working to obtain certification for a new entry.  For water treatment applications, we will proceed with formulation studies, evaluations, and certification with a view to entering and re-entering the market.

We are intensively allocating R&D resources to accelerate the development of new grades.

We will develop a business structure that is resilient to change and not dependent on specific regions, customers, or battery types.

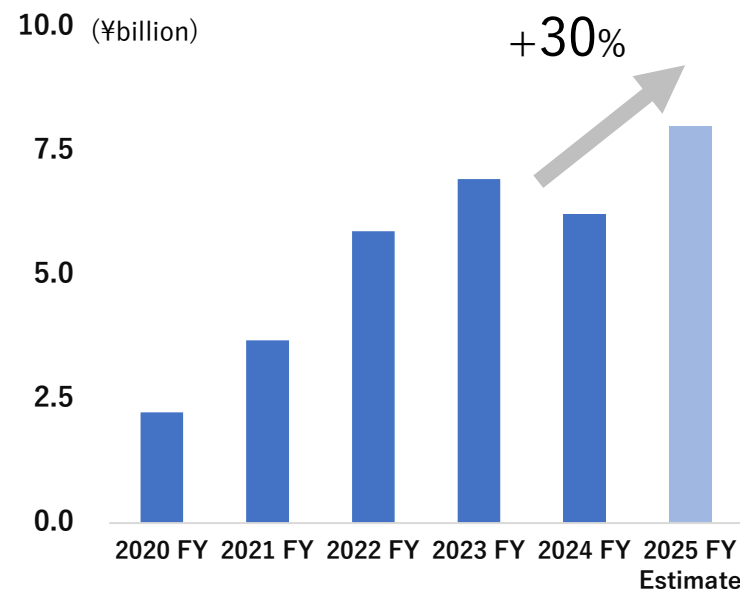
## <Share by area>



\* Size of circle: Kureha's estimated size of the frac plug market  
Numbers in circle: Kureha's market share (%) estimated in the areas

While Permian (low- and ultra-low temperature region, primarily oil), the largest market, continued to experience stable production activity, drilling in Haynesville (high temperature region, primarily gas) stagnated due to low gas prices. Drilling in the region is expected to gradually recover as gas inventories are consumed from FY2025 onward.

## <Revenue>



In FY2025, we project revenue to increase (by approx. 30% compared to FY2024) due to market recovery in mid-to-high temperature regions from 2H, increased sales volume through further customer acquisition, and significant expansion of sales of new products for low-temperature areas.

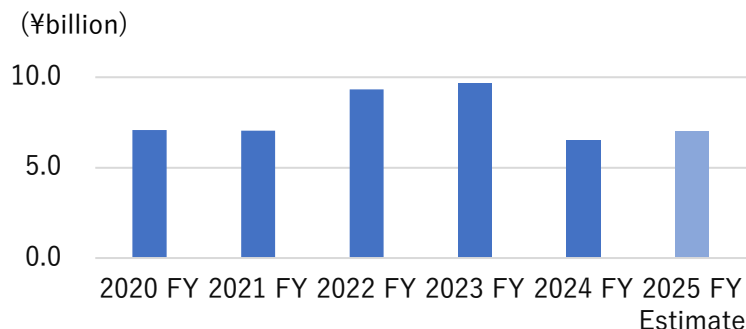
In FY2024, sales declined compared to the initial plan, and the company posted a significant loss due to less gain on reversal of the loss on valuation of inventories. In FY2025, losses are projected to narrow due to an increase in revenue, but we expect to remain in the red.

	Progress in FY2024	Measures for FY2025
Sales expansion in mid-to-high temperatures regions (about 30% of the market)	Market share in Haynesville (primarily gas) remained stable at around 40% amid a stagnant market. On the other hand, as a result of sales activities, market share in Eagleford (primarily oil) increased to about 30%.	In addition to market recovery from 2H, we aim to boost revenue through sales activities targeting small and medium-sized customers.  Propose products suitable for the environment inside wells through customer services using temperature sensors, and promote full-bore adoption orders.
Entry into low- to ultra-low temperature regions (about 70% of the market)	A low-temperature grade was launched in the summer of 2024.  To further expand sales, we have contacted 60% of the major operators in the Permian Basin, the largest market, and are promoting field tests.	Reinforce our sales structure in the Permian Basin to expand sales in low-temperature regions.  Launch full-scale sales of a new grade for ultra-low temperatures.  To accelerate development of new grades for ultra-low temperature applications, we will significantly strengthen our R&D structure as a short-term measure.

In FY2025, we plan to expand sales in the low-temperature regions and develop plugs for ultra-low-temperature regions.

We will fundamentally review our business structure if the expansion of sales of low-temperature plugs and the introduction of ultra-low-temperature plugs in FY2025 cannot be achieved as planned.

## <Revenue>



## <Kureha Initiatives>

FY2024 was a year marked by inventory adjustment at customer sites.

Although inventory adjustments will be completed, revenue recovery will be modest in FY2025 due to the impact of some shipments being brought forward to FY2024.

From FY2026 onward, when the effects of inventory adjustments and timing differences will disappear, revenue is expected to recover to 8.0 billion yen.

The peak in new agricultural fungicide development costs is expected to occur in FY2024-FY2025, with a significant decrease in development costs.

While development costs will remain a burden in FY2025, the recovery in sales revenue is projected to lead to improved profitability compared to the previous year.

	Progress in FY2024	Measures for FY2025
Development of new agricultural fungicides	Various safety tests were conducted as planned.	Moving into the phase of compiling safety test results and preparing applications for registration in 2026 and beyond.
Sales expansion of existing agricultural fungicides	The re-registration of Metconazole in Europe was approved.	Strive to expand distribution channels following the re-registration of Metconazole in Europe, while also reinforcing production to meet increasing demand.

For existing fungicides, including Metconazole, which has been decided to get re-register approval in Europe, we will maximize earnings by expanding sales channels and optimizing production.

The development of new agricultural fungicides is proceeding as planned (applications in each country from FY2026, launch in major countries in FY2030).

We will accelerate the creation of new compounds by utilizing external technologies and functions and strengthening our in-house discovery capabilities.

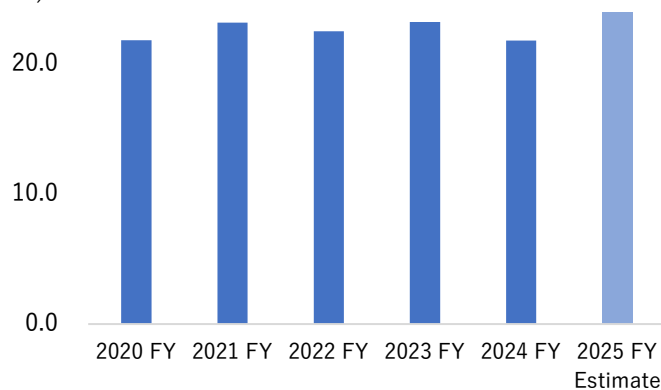


# Home Products Business

KUREHA CORPORATION

## <Revenue>

(¥billion)



From FY2025, we will update our advertising messages and methods tailored to reach each generation.

## <Kureha Initiatives>

	Progress in FY2024	Measures for FY2025
Marketing and product enhancement initiatives	<p>Consumer needs were reexamined, and we proceeded to reestablish concepts of products improvement.</p> <p>Aiming to increase sales, sales of promotional products of NEW Krewrap, plastic wrap were conducted in October and November. In addition, Kureha has been considering ways to expand sales promotion tactics and establish a system capable of handling the production of a wide variety of products, including various promotional items.</p>	<p>We will continue to improve our NEW Krewrap products to meet diversifying consumer needs.</p> <p>By building a data platform for marketing and sales data and utilizing data analysis tools, we will identify key areas and mass retailers to focus on, implement more tailored marketing and sales tactics, and aim to increase revenue.</p>

We will recover market share through various measures and aim to increase both sales and production volumes. Kureha will maximize profits by expanding marginal profit through increased revenue and improving profitability through higher utilization rates.

## Production Transformation Project

- Production Transformation Project was launched in April 2025.
- Transform production framework to build a cost structure that can compete successfully on a global scale.
- Establish a future vision for a competitive production framework and set concrete goals toward that vision. Over the next two years, we plan to formulate and implement specific initiatives to achieve these objectives.

## Cost Reduction Initiatives

- In FY2024, Kureha reduced costs by approx. 1.9 billion yen, mainly in head office indirect expenses (compared to the initial forecast for FY2024).  
(Main cost reduction items)  
Scrutiny of system expenses, review taking into consideration the priority of research themes for new business development, etc.
- Cost reduction measures will be implemented continuously in FY2025. While head office indirect expenses are projected to remain at the FY2024 level, but R&D expenses will increase for the future growth, resulting in an increase of approximately 0.9 billion yen compared to FY2024.  
(Main items to increase cost)  
Increased activity expenses associated with progress on individual themes related to the creation of new businesses, higher expenses associated with the full launch of the Tokyo Research Laboratories, etc.

# Risks Related to the External Environment: U.S. Reciprocal Tariffs

KUREHA CORPORATION

Reciprocal tariffs by the Trump administration were implemented on April 5, 2025, and an additional 24% tariff was imposed on Japan starting April 9. It was announced that part of the tariff rates would be suspended for 90 days in almost all countries and regions, while in contrast, tariffs on China, which imposed retaliatory measures, would be raised to 145%. The situation remains chaotic.

Our current “Basic Approach” and “Impact” regarding the U.S. reciprocal tariffs are described below.

## Basic Approach

As a general rule, additional tariffs shall be passed on to customers. However, Kureha will address the risk of sales declines and price negotiations initiated by customers on a case-by-case basis, taking into consideration the status of its competitors' supply chains.

## (Impact on earnings)

- Sales of direct exports to the U.S. account for approximately 10% of total sales (main businesses are PVDF, PGA, and agrochemicals), so the share of overall sales is limited.
- Furthermore, we believe that the impact of the U.S. reciprocal tariffs on our earnings will be limited with based on the “Basic Approach” mentioned above.

\* Due to the uncertain situation, the impact of the U.S. reciprocal has not been factored into our earnings forecasts.

# Risks Related to the External Environment: PFAS Regulations

KUREHA CORPORATION

## PFAS Regulation in Europe

In Europe, five countries—Denmark, Germany, the Netherlands, Sweden, and Norway—have submitted proposals to restrict PFAS (organic fluorine compounds including PVDF).

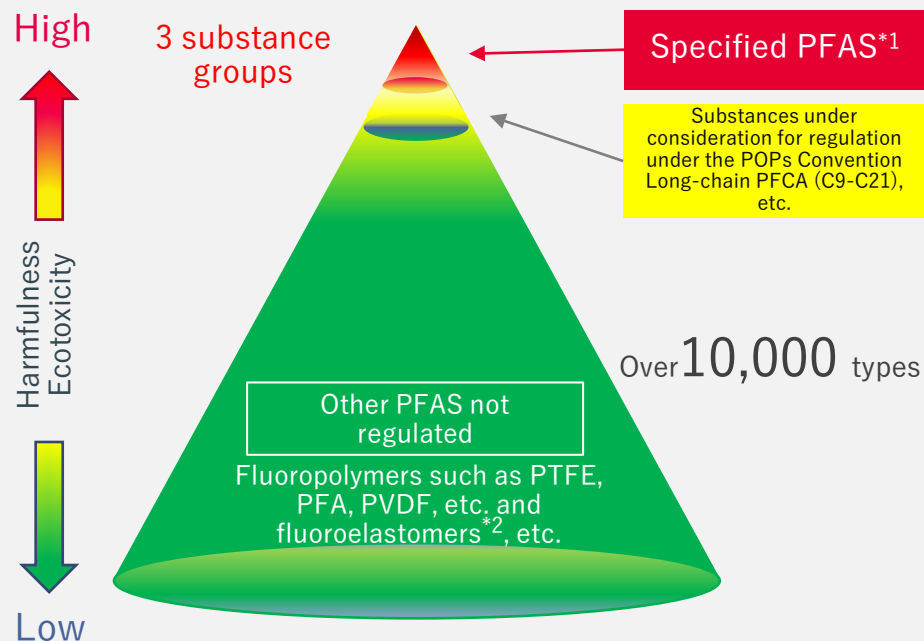
In response, more than 5,600 public comments were submitted by countries, companies, organizations, and individuals. An expert committee is currently deliberating on the draft for each application to be submitted to the European Commission (EC) for adoption. At the time the proposed restrictions were submitted, they were scheduled to be verified as early as 2025 and enacted partly for substances with no grace period in 2027. However, as of March 2025, the verification process has been delayed by 1-2 years.

The proposed restrictions will, in principle, collectively regulate more than 10,000 PFAS compounds, which are each different in terms of toxicity and potential safety risks, and Kureha believes this is an excessive measure and lacks scientific basis.

We maintain our stance that fluoropolymers, including PVDF, should be exempted from the proposed restrictions and are lobbying with chemical and other industrial organizations in Japan and the EU.

Diagram of PFAS

This diagram is for illustrative purposes and does not represent accurate proportions.



\*1 Specified PFAS definition

Substances confirmed to exhibit persistence, bioaccumulation, long-range environmental transport, and toxicity, and therefore regulated under the Stockholm Convention on Persistent Organic Pollutants (POPs Convention) ⇒ PFOS, PFOA, PFHxS and their related substances. Please note that the number of specified PFAS substances subject to regulation may increase in the future.

\*2 Fluoropolymers and fluoro-elastomers are chemically and biologically stable, do not accumulate in living organisms, and are non-toxic, thus meeting the OECD criteria for low-concern polymers.

Promoting the development of new products and businesses in three focus areas:  
Environment and Energy, Life, and Digital Communications

## Target Launch Timelines/Peak Sales Goals for Major New Businesses & Products (Agricultural Fungicides)

Field	Product Name (Development Start)	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Sales Target (at Peak)	
Life	Fungicide (FY2021)	Safety Test	Applications to Countries					Launch	20bn yen+
	Anti-Adhesion Film (FY2017)	Preclinical Test			Clinical Trial			Launch	10bn yen+
	Biostimulant (FY2018)	On-site Test□			Launch				10bn yen+
Environment & Energy	SiC Fiber (FY2017)	Prototype□					Pilot Plant Operation	Launch	10bn yen+
Digital Communications	3D Touch Panel (FY2019)		Launch						7bn yen+

# Progress in New Product and Business Development

KUREHA CORPORATION

## 〈Initiatives in Life〉

### Agricultural Fungicides

- Agricultural fungicides targeting crops such as cereals, corn, fruits, and vegetables
- New high-safety agrochemicals designed to meet stricter regulations worldwide, especially in Europe



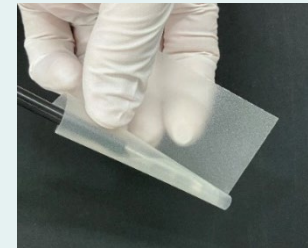
### Biostimulants

- Agricultural field tests have confirmed their effectiveness in increasing the number of flowers, fruits, and seeds
- We are currently promoting testing by third-party evaluation organizations and potential customers in Japan, Europe, and the U.S.



### Anti-Adhesion Film

- Film designed to prevent post-surgical adhesions
- Offers excellent adhesion prevention and ease of handling
- We are formulating a regulatory strategy with the aim of obtaining approval in Japan and the U.S.



## 〈Initiatives in Environment & Energy〉

### SiC (Silicon Carbide) Fibers

- Lightweight, high strength, and excellent heat resistance
- Main target is the aerospace sector
- Although the market is currently dominated by a single company, we aim to enter the market with products that are both price-competitive with existing products and offer high functionality



## 〈Initiatives in Digital Communications〉

### 3D Touch Panels

- Transparent touch sensors that can detect strength of pressure
- Capable of recognizing touch even underwater or when wearing gloves
- Main targets are industrial equipment, medical devices, and automobiles
- By reducing the number of parts compared to existing 3D touch sensors, we have achieved both price competitiveness and high functionality (transparency)



# Business Portfolio (Positioning of Each Business)

KUREHA CORPORATION

	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction/Other
Growth Driver Business	PVDF	Agrochemicals	Home Products	
Core Earnings Business	PPS Carbon fiber	Industrial chemicals	Fishing lines Packaging materials	Environment engineering Construction
Growth Potential Businesses	New businesses: Life, Environment & Energy, and Digital Communications fields			
Business That Needs Restructuring	PGA (Carbon materials)	Pharmaceuticals		

## 1. Promoting ROIC-focused Management

- Maximize corporate value by enhancing the use of ROIC to achieve capital returns exceeding WACC.
- Businesses where capital returns is an issue are subject to structural reform and Kureha will reconsider the direction of such businesses.
- As for PGA, we will fundamentally review our business structure if the expansion of sales of low-temperature plugs and the introduction of ultra-low-temperature plugs in FY2025 cannot be achieved as planned.

## 2. Promoting M&A Activity (Growth Potential Businesses)

- In addition to developing its own technology and investing in startups, Kureha will engage in M&A to expand the peripheral areas of its existing businesses, with a focus on the digital communications and agrochemical fields as a starting point.

**KUREHA**

## **II . Progress in in the Mid- to Long- Term Management Plan The Rolling Plan 2025**

- Profit Improvement Measures
- Capital Measures
- Non-financial measures



# Improve Capital Efficiency to Enhance Corporate Value

KUREHA CORPORATION

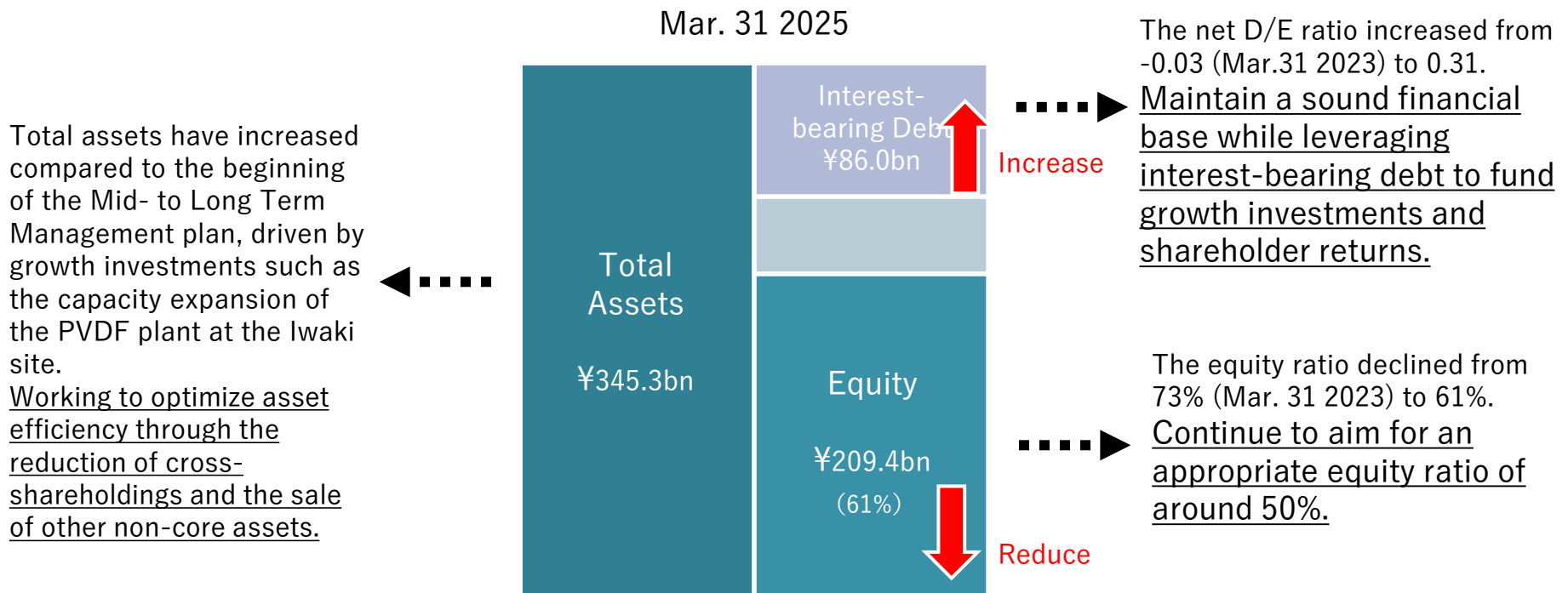
## Challenges and Measures to Improve Capital Efficiency

### 1. Achieve an Appropriate Capital Ratio

Pursue an adequate capital structure, reduce the cost of capital, and maximize corporate value, While maintaining a sound financial base

### 2. Achieve a Balance Sheet Focused on Capital Efficiency

Reduce cross-shareholdings and sell other assets to improve asset efficiency.



Maintain a sound financial base while pursuing an adequate capital structure, reducing capital costs, and maximizing corporate value.

## Approach to maintaining a sound financial base and enhancing corporate value

- Controlling the level of equity aimed at retaining an A credit rating and ensuring stable funding with no business risk concerns
- The net D/E ratio is set at around 0.4-0.6 for the near future
- Optimizing gradually over the medium to long term, factoring in the internal and external environment and future growth investments

Based on the above, the target equity ratio was set at approx. 50%.

### [Rationale]

- The criteria was set to maintain an A credit rating that ensures access to funding even in times of crisis.
- Estimation of necessary equity to cover business risks based on comparable companies in each sub-segment.

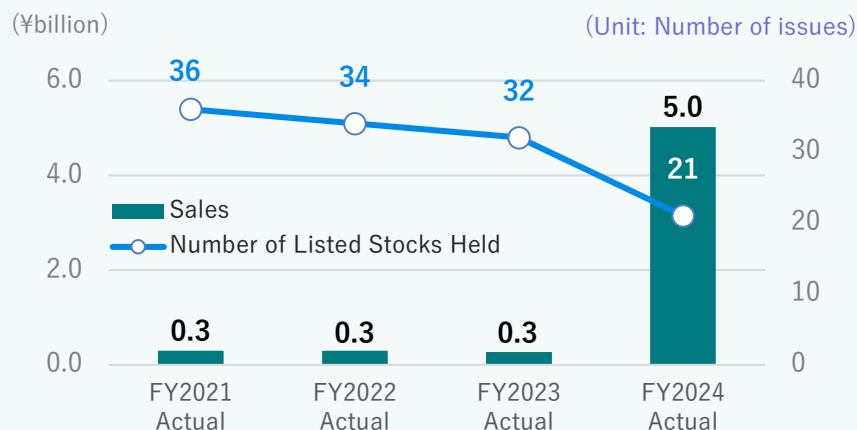
# Balance Sheet Efficiency (Cross-shareholdings, Other Asset Sales)

KUREHA CORPORATION

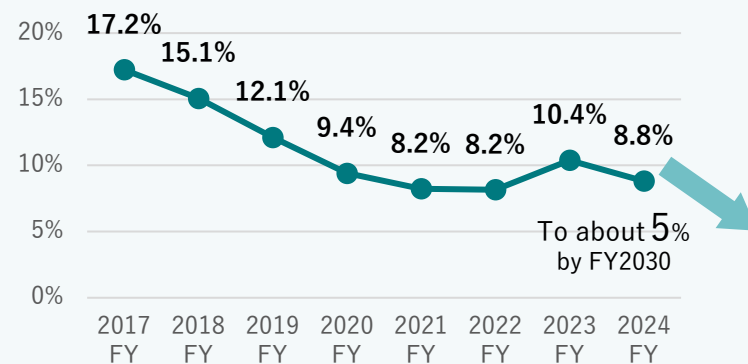
## Cross-shareholdings

Our current policy for cross-shareholdings is to hold less than 10% of consolidated net assets in total, but this will be changed to about 5% by FY2030.

Cross-shareholdings: Sales and number of issues held



Consolidated net assets ratio



## Other Asset Sales

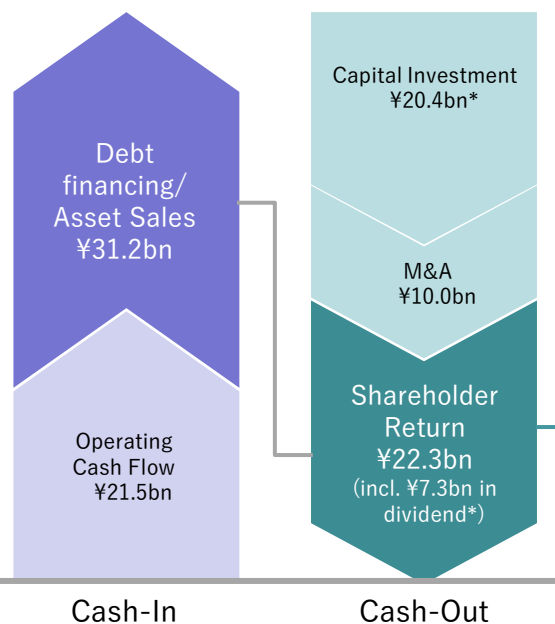
In FY2024, we sold a recreational facility in Japan and a land and buildings (in the U.K.) related to the discontinued heat-shrinkable multilayer film business (approx. 0.5 billion yen). In FY2025, Kureha also plans to sell a land and buildings (in the Netherlands) and other facilities for the discontinued heat-shrinkable multilayer film business.

We will aim to maximize capital efficiency by reducing cross-shareholdings and other assets.

# Changes in Dividend Policy

KUREHA CORPORATION

FY2025  
Cash Allocation(estimated)



\*Based on amounts paid during FY2025 (estimated)

For improving return on equity (ROE), using the funds generated from the sale of cross-shareholdings and other assets to return profits to shareholders, we will change its dividend policy as follows.

## Changes in Dividend Policy

No change in our existing policy for profit distribution, which is to pay stable dividends while enhancing internal reserves that contribute to active investment for future business development.

(Previous policy) Dividend Payout Ratio: 30%. However, minimum annual dividend at 86.70 yen per share as its capital policy until FY2025

After Change

**Introduce DOE (consolidated dividend on equity) as a dividend standard from FY2025 for DOE of approximately 5% in FY2025 and FY2026**

We assume that the introduction of DOE would ensure dividend stability without being affected by short-term fluctuations in business performance. Considering the current level of profit and cash flow, funds from the sale of assets such as cross-shareholdings, and the capacity for investment in future growth, we set the DOE at approximately 5% for these two years to avoid an excessive financial burden.

With lower assets, the equity ratio is higher than RP2025, the ratio is expected to decline to 57% by the end of March 2026.

**KUREHA**

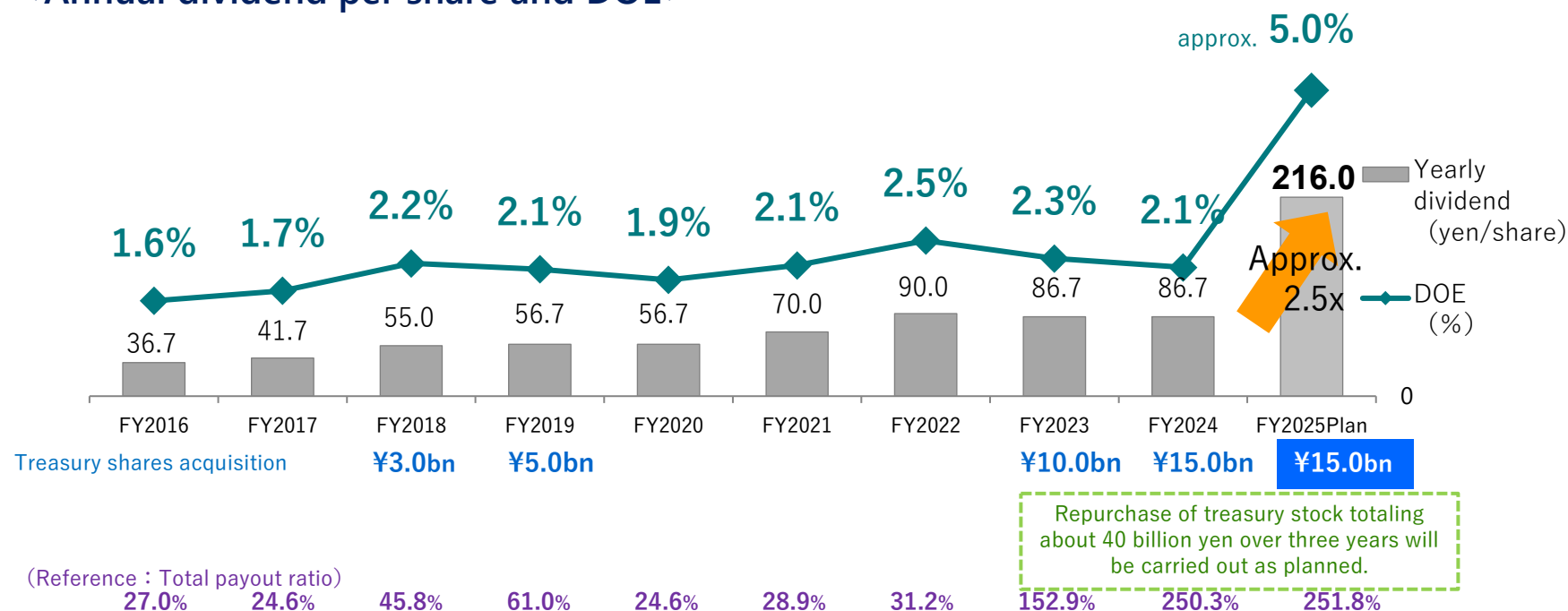
# Shareholder Returns

Revised on May 19, 2025

KUREHA CORPORATION

With the introduction of DOE, targeting approximately 5%, we are planning a significant year-on-year increase in dividend for FY2025. In addition, we will proceed as scheduled with the planned share buyback of approximately ¥15 billion in FY2025, aiming to meet shareholder expectations for stock price improvement. As for dividends in FY2026, while total equity is expected to decline, the number of outstanding shares eligible for dividends will also decrease due to the FY2025 share buyback. Therefore, we anticipate that dividend levels will remain at least on par with the previous year.

## < Annual dividend per share and DOE >



Kureha conducted a ten-to-one share consolidation on October 1, 2016 and the conducted a three-to-one share split on January 1, 2024. All figures in this chart are presented on a post-split basis. The dividend forecast per share has been calculated based on shareholders' equity, which reflects the current assumptions regarding share buybacks and other related factors.

	RP2025 (FY2023~FY2025)		Review in FY2025
Equity	Equity ratio	Approx. 50%	Continued *Appropriate review of business environment and portfolio changes as they occur
Dividends	Payout ratio minimal annual dividend	30% or more ¥86.7/share or more	Dividend on Equity Ratio (DOE) 5%(approx.) ※Measures to be taken until FY2026
Share Buy backs	Acquisition price Cancellation method	Approx. ¥40.0bn <small>In addition to the provisions of Article 178 of the Companies Act, the resolution includes the cancellation of surplus treasury shares after considering the number of shares needed for share-based compensation and M&amp;A activities.</small>	Continued (Approx. ¥15 billion will be implemented in FY2025)
Total Payback Ratio	Total payback ratio	50% or more	Change to Dividend on Equity Ratio (DOE)
Cross-share Holdings	Reduction target	Consolidated net assets ratio 10% or less	Consolidated Net Assets Ratio: Approx. 5% (To be implemented by FY2030)

## **II . Progress in in the Mid- to Long- Term Management Plan The Rolling Plan 2025**

- Profit Improvement Measures
- Capital Measures
- Non-financial measures

# Progress on Reducing Environmental Impact

KUREHA CORPORATION

## CO<sub>2</sub> emissions reduction

**Over 30%** (FY2030 Goal, Compared to FY2013 Levels)

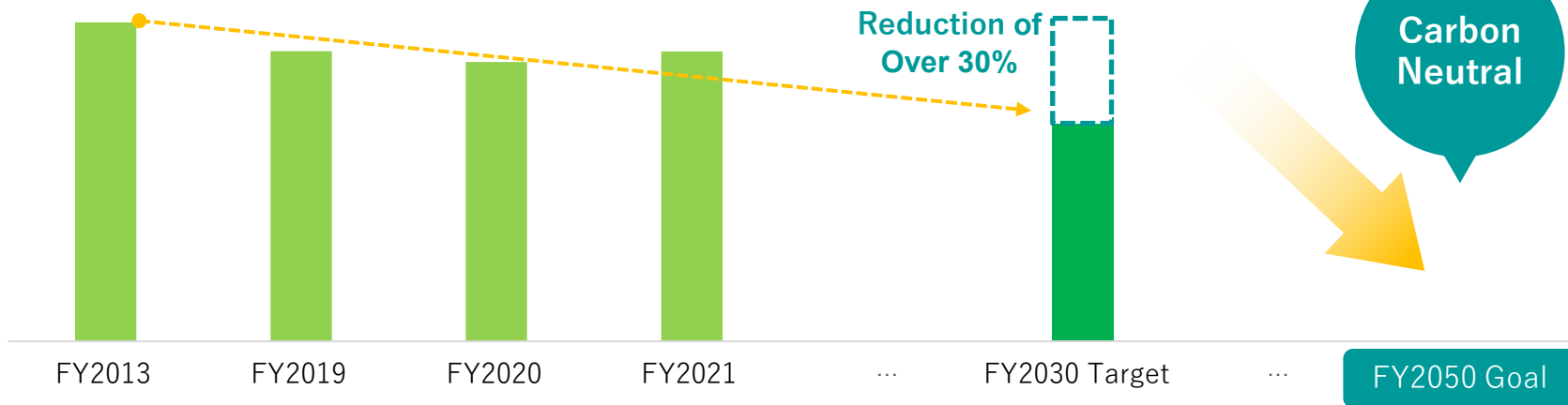
- At the Iwaki Factory's coal-fired power plant, **technical studies on fuel conversion** have provided **a path toward meeting the 2030 goal**.
- We are **exploring additional reduction measures to ensure achievement of the 2030 goal** and potentially **raise the target**.

## Zero waste emission ratio

**Below 1.5%** (FY2025 Goal)

- On track to meet our target of reducing final (landfill) disposal volumes by **recycling waste** generated in the production process and **converting it into valuable materials**.
- We are also seeking ways to further **reduce waste generation** and **promote recycling efforts**.

Energy-Origin CO<sub>2</sub> Emissions Compared to FY2013



**KUREHA**



# Synergism Between Company and Employees

KUREHA CORPORATION

## Employees' Psychological Connection to the Company (Engagement)

Feeling Proud of the Company,  
Liking Workplace Colleagues,  
Enjoying Daily Work

Empathizing with the  
Company's Vision and Policies

Having Opportunities to Grow  
through Work

Employees feel a psychological connection in diverse ways, with varied values. etc.

To empower our diverse workforce to thrive and grow with enthusiasm, we launched an engagement survey in FY2023 to better understand our current situation. Using the survey insights, we have implemented the following initiatives.

### Promoting Mutual Understanding Between Management and Employees

#### Town Hall Meetings (Dialogue with Management)

- In FY2024, in addition to dialogues with top management, we plan to hold small-group discussions, especially for young and mid-level employees who have limited daily interactions with management. By increasing opportunities for direct dialogue, we aimed to foster mutual understanding.
- In FY2025, enhance the form and content of the initiative to provide an opportunity for active dialogue with a wider range of employees.

### Engagement Improvement Measures

#### Initiatives to Improve Engagement

- We recognize that fostering company-wide awareness is crucial for improving engagement. To address this, we held workshops and briefings mainly for line managers, who are responsible for daily management, to explore and develop engagement enhancement measures (action plans).
- Understanding the importance of a continuous cycle of result analysis and action to improve engagement, we have been conducting regular surveys since FY2023 and are promoting various measures across the entire company and at the organizational unit level.

# Supplementary Materials

1. FY2024 Financial Result
2. FY2025 Financial Outlook
3. Key Indicators

# 1 . FY2024 Financial Results

# FY2024 Revenue and Operating Profit Result

KUREHA CORPORATION

## Revenue and Operation Profit by Segment

(billion yen)

	FY2024			FY2023		
	1H	2H	FY	1H	2H	FY
<b>Revenue</b>	<b>81.6</b>	<b>80.4</b>	<b>162.0</b>	<b>88.5</b>	<b>89.5</b>	<b>178.0</b>
Advanced Materials	28.5	28.8	57.4	34.0	30.5	64.5
Specialty Chemicals	16.2	14.5	30.7	17.1	16.9	33.9
Specialty Plastics	22.8	17.7	40.5	23.4	23.9	47.3
Construction	5.3	9.5	14.8	5.4	8.6	13.9
Other Operations	8.8	9.8	18.6	8.6	9.7	18.2
<b>Core Operating profit</b>	<b>7.5</b>	<b>2.6</b>	<b>10.0</b>	<b>9.2</b>	<b>9.5</b>	<b>18.6</b>
Advanced Materials	1.2	-3.2	-2.0	2.8	2.0	4.8
Specialty Chemicals	0.7	-0.1	0.6	0.8	0.9	1.7
Aspecialty Plastics	4.0	3.1	7.1	4.3	3.9	8.2
Construction	0.4	1.0	1.4	0.2	1.3	1.5
Other Operations	1.2	1.7	2.9	1.1	1.4	2.5
Adjsutments	-0.2	0.1	-0.1	-0.2	-0.4	-0.5
Other Income	0.3	0.8	1.1	0.5	1.4	1.9
Other Expenses	0.6	1.0	1.6	0.4	6.9	7.2
<b>Operation Profit</b>	<b>7.0</b>	<b>2.5</b>	<b>9.4</b>	<b>9.1</b>	<b>3.7</b>	<b>12.8</b>

**KUREHA**

# Segment Performance Result: Advanced Materials and Specialty Chemicals

KUREHA CORPORATION

## Advanced Materials

	FY2024	FY2023	Diff.	
	Actual	Actual	Amount	%
PVDF	16.2	22.2	-6.1	-27%
PGA	6.2	6.9	-0.7	-10%
Other	15.0	15.8	-0.8	-5%
Advanced Plastics	<b>37.4</b>	45.0	-7.6	-17%
Carbon Products	<b>7.6</b>	7.9	-0.3	-4%
Other	<b>12.3</b>	11.6	0.7	6%
<b>Revenue</b>	<b>57.4</b>	64.5	-7.1	-11%
<b>Operating Profit</b>	<b>-2.0</b>	4.8	-6.8	-

## Specialty Chemicals

(billion yen)

	FY2024	FY2023	Diff.	
	Actual	Actual	Amount	%
Agrochemicals	<b>6.5</b>	9.7	-3.2	-33%
Pharmaceuticals	<b>3.3</b>	4.0	-0.7	-18%
Industrial Chemicals	<b>10.1</b>	10.7	-0.6	-6%
Other	<b>10.7</b>	9.5	1.3	13%
<b>Revenue</b>	<b>30.7</b>	33.9	-3.3	-10%
<b>Operating Profit</b>	<b>0.6</b>	1.7	-1.1	-64%

**KUREHA**

# Segment Performance Result: Specialty Plastics, Construction and Other operations

KUREHA CORPORATION

## Specialty Plastics

	FY2024	FY2023	Diff.	
	Actual	Actual	Amount	%
Home Products	21.8	23.2	-1.4	-6%
Fishing Lines	5.5	5.1	0.4	9%
Packaging materials	9.1	15.4	-6.2	-41%
Other	4.0	3.6	0.4	11%
<b>Revenue</b>	<b>40.5</b>	<b>47.3</b>	<b>-6.8</b>	<b>-14%</b>
<b>Operating Profit</b>	<b>7.1</b>	<b>8.2</b>	<b>-1.1</b>	<b>-13%</b>

## Construction

(billion yen)

	FY2024	FY2023	Diff.	
	Actual	Actual	Amount	%
<b>Revenue</b>	<b>14.8</b>	<b>13.9</b>	<b>0.9</b>	<b>6%</b>
<b>Operating Profit</b>	<b>1.4</b>	<b>1.5</b>	<b>-0.1</b>	<b>-6%</b>

## Other Operations

	FY2024	FY2023	Diff.	
	Actual	Actual	Amount	%
Environment Engineering	12.2	11.8	0.4	3%
Logistics	1.6	1.6	-0.1	-4%
Hospital Operation	4.5	4.3	0.2	4%
Other	0.4	0.5	-0.1	-23%
<b>Revenue</b>	<b>18.6</b>	<b>18.2</b>	<b>0.4</b>	<b>2%</b>
<b>Operating Profit</b>	<b>2.9</b>	<b>2.5</b>	<b>0.4</b>	<b>18%</b>

# Financial Position

KUREHA CORPORATION

## Assets

	Mar.31 2025	Mar.31 2024	Diff.
Cash and cash equivalents	21.5	23.1	-1.6
Trade and other receivables	31.3	40.6	-9.4
Inventories	46.7	51.2	-4.5
Other current assets	5.3	4.9	0.4
<b>Total current assets</b>	<b>104.8</b>	<b>119.9</b>	<b>-15.1</b>
Property, plant and equipment	173.5	140.5	32.9 ※1
Intangible assets	5.3	5.0	0.3
Investments and other assets	61.8	65.2	-3.4
<b>Total non-current assets</b>	<b>240.5</b>	<b>210.7</b>	<b>29.8</b>
<b>Total assets</b>	<b>345.3</b>	<b>330.6</b>	<b>14.7</b>

## Liabilities and Equity

(billion yen)

	Mar.31 2025	Mar.31 2024	Diff.
Trades and other payables	19.5	20.5	-1.0
Interest-bearing debt	86.0	54.9	31.1 ※2
Provisions	8.4	11.3	-2.9
Other liabilities	20.3	20.8	-0.5
<b>Total liabilities</b>	<b>134.2</b>	<b>107.5</b>	<b>26.7</b>
Shareholders' equity	18.2	18.2	
Capital surplus	14.7	14.7	
Less: Treasury stock	-15.8	-9.6	-6.2 ※3
Retained Earnings	174.4	177.3	-2.9 ※4
Other components of equity	17.9	20.8	-2.9
Non-controlling interests	1.8	1.8	-0.0
<b>Total equity</b>	<b>211.1</b>	<b>223.1</b>	<b>-12.0</b>
<b>Total liabilities and equity</b>	<b>345.3</b>	<b>330.6</b>	<b>14.7</b>

※1 ... Construction in progress for Iwaki PVDF plant expansion +33.0

※2 ... Corporate bond +20.0

※3 ... Treasury stock disposal +8.7、Share buyback -15.0

※4 ... Treasury stock cancellation after transfer from capital surplus -8.7、Net profit+7.8、Dividend -4.7

**KUREHA**

# Cash Flow Result

KUREHA CORPORATION

(billion yen)

	FY2024	FY2023	Diff.
Profit before income tax	10.2	13.9	-3.7
Depreciation	12.7	11.7	1.0
Other	6.6	-14.0	20.6
<b>Cash flow from operating activities</b>	<b>29.5</b>	<b>11.6</b>	<b>17.9</b>
<b>Cash flow from investing activities</b>	<b>-39.4</b>	<b>-34.3</b>	<b>-5.1</b>
<b>Free cash flow</b>	<b>-9.9</b>	<b>-22.7</b>	<b>12.8</b>
<b>Cash flow from financing activities</b>	<b>8.4</b>	<b>12.1</b>	<b>-3.7</b>
Effect of exchange rate changes on cash and cas	-0.2	1.5	-1.6
Increase/decrease in cash and cash equivalents	-1.6	-9.1	7.4
Cash and cash equivalents at beginning of perio	23.1	32.2	-9.1
Cash and cash equivalents at e nd of period	21.5	23.1	-1.6

## Main factors

**CF from operating activities** **17.9**  
 Profit before income tax decrease -3.7  
 Improvement of working capital +23.1

**CF from investing activities** **-5.1**  
 Capital expenditure -11.1  
 Proceeds from sale of investment securities +4.7

**CF from financial activities** **-3.7**  
 Acquisition of treasury stock -5.0

**KUREHA**



## 2 . FY2025 Financial Outlook

# FY2025 Revenue and Operating Profit Forecast

KUREHA CORPORATION

## Revenue and Operating Profit by Segment

(billion yen)

	FY2025 Forecast			FY2024 Actual		
	1H	2H	FY	1H	2H	FY
<b>Revenue</b>	<b>80.0</b>	<b>85.0</b>	<b>165.0</b>	<b>81.6</b>	<b>80.4</b>	<b>162.0</b>
Advanced Materials	32.0	32.0	64.0	28.5	28.8	57.4
Specialty Chemicals	14.0	16.0	30.0	16.2	14.5	30.7
Specialty Plastics	19.0	19.0	38.0	22.8	17.7	40.5
Construction	6.5	8.5	15.0	5.3	9.5	14.8
Other Operations	8.5	9.5	18.0	8.8	9.8	18.6
<b>Core Operating Profit</b>	<b>5.0</b>	<b>8.5</b>	<b>13.5</b>	<b>7.5</b>	<b>2.6</b>	<b>10.0</b>
Advanced Materials	0.8	1.8	2.6	1.2	-3.2	-2.0
Specialty Chemicals	-0.2	1.3	1.1	0.7	-0.1	0.6
Specialty Plastics	3.3	3.9	7.2	4.0	3.1	7.1
Construction	0.3	0.6	0.9	0.4	1.0	1.4
Other Operations	0.8	0.9	1.7	1.2	1.7	2.9
Adjustments				-0.2	0.1	-0.1
Other Income	1.1	0.1	1.2	0.3	0.8	1.1
Other Expenses	0.1	0.6	0.7	0.6	1.0	1.6
<b>Operating Profit</b>	<b>6.0</b>	<b>8.0</b>	<b>14.0</b>	<b>7.0</b>	<b>2.5</b>	<b>9.4</b>



# Segment Performance Forecast: Advanced Materials and Specialty Chemicals

KUREHA CORPORATION

## Advanced Materials

	FY2025 Forecast	FY2024 Actual	Diff. Amount %	
PVDF	18.0	16.2	1.8	11%
PGA	8.0	6.2	1.8	29%
Other	17.0	15.0	2.0	13%
Advanced Plastics	<b>43.0</b>	37.4	5.6	15%
Carbon Products	<b>8.0</b>	7.6	0.4	5%
Other	<b>13.0</b>	12.3	0.7	5%
Revenue	<b>64.0</b>	57.4	6.6	12%
Operating Profit	<b>2.6</b>	-2.0	4.6	-

## Specialty Chemicals

(billion yen)

	FY2025 Forecast	FY2024 Actual	Diff. Amount %	
Agrochemicals	<b>7.0</b>	6.5	0.5	8%
Pharmaceuticals	<b>3.5</b>	3.3	0.2	5%
Industrial Chemicals	<b>10.0</b>	10.1	-0.1	-1%
Other	<b>9.5</b>	10.7	-1.2	-12%
Revenue	<b>30.0</b>	30.7	-0.7	-2%
Operating Profit	<b>1.1</b>	0.6	0.5	86%

**KUREHA**

# Segment Performance Forecast: Specialty Plastics, Construction and Other operations

KUREHA CORPORATION

## Specialty Plastics

	FY2025	FY2024	Diff.	
	Forecast	Actual	Amount	%
Home Products	24.0	21.8	2.2	10%
Fishing Lines	6.0	5.5	0.5	9%
Packaging Materials	5.0	9.1	-4.1	-45%
Others	3.0	4.0	-1.0	-26%
<b>Revenue</b>	<b>38.0</b>	<b>40.5</b>	<b>-2.5</b>	<b>-6%</b>
<b>Operating Profit</b>	<b>7.2</b>	<b>7.1</b>	<b>0.1</b>	<b>1%</b>

### <VS FY2024>

#### Packaging materials

Revenue decreased due to business closing of heat-shrinkable multilayer film.

#### Environment engineering

Revenue decreased due to soft demand of low-concentration PCB waste treatment.

## Construction

(billion yen)

	FY2025	FY2024	Diff.	
	Forecast	Actual	Amount	%
<b>Revenue</b>	<b>15.0</b>	<b>14.8</b>	<b>0.2</b>	<b>1%</b>
<b>Operating Profit</b>	<b>0.9</b>	<b>1.4</b>	<b>-0.5</b>	<b>-35%</b>

## Other Operations

	FY2025	FY2024	Diff.	
	Forecast	Actual	Amount	%
Environment Engineering	11.0	12.2	-1.2	-10%
Logistics	2.0	1.6	0.4	28%
Hospital Operation	5.0	4.5	0.5	12%
Others	0.0	0.4	-0.4	-100%
<b>Revenue</b>	<b>18.0</b>	<b>18.6</b>	<b>-0.6</b>	<b>-3%</b>
<b>Operating Profit</b>	<b>1.7</b>	<b>2.9</b>	<b>-1.2</b>	<b>-42%</b>

**KUREHA**

# Cash Flow Forecast

KUREHA CORPORATION

(billion yen)

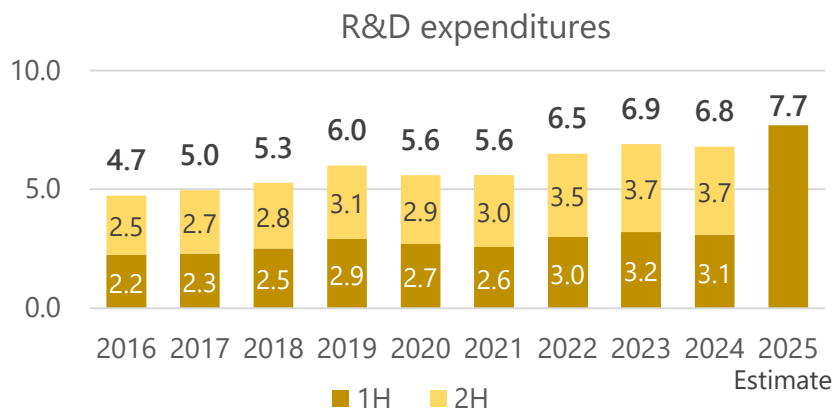
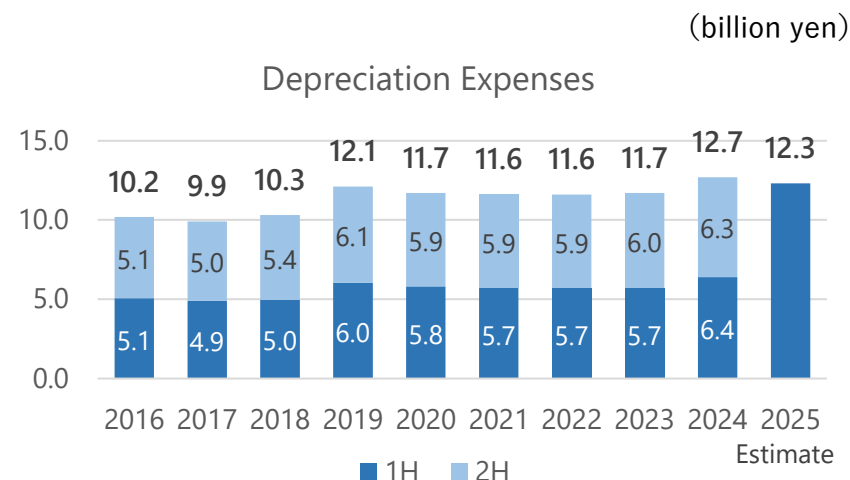
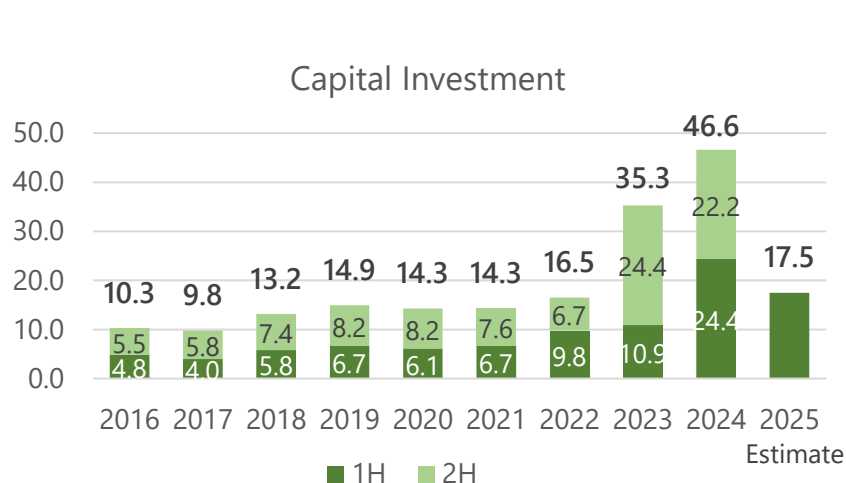
	FY2025 Forecast	FY2024 Actual	Diff.	
Profit before income tax	14.0	10.2	3.8	
Depreciation	12.3	12.7	-0.4	
Other	-4.8	6.6	-11.4	
<b>Cash flow from operating activities</b>	<b>21.5</b>	<b>29.5</b>	<b>-8.0</b>	
<b>Cash flow from investing activities</b>	<b>-28.6</b>	<b>-39.4</b>	<b>10.8</b>	
<b>Free Cash flow</b>	<b>-7.1</b>	<b>-9.9</b>	<b>2.8</b>	<b>Main factors</b>
<b>Cash flow from financing activities</b>	<b>-2.8</b>	<b>8.4</b>	<b>-11.2</b>	<b>CF from operating activities -8.0</b>
				Working capital -10.0
Effect of exchange rate changes on cash and cash equivalents		-0.2	0.2	<b>CF from investing activities -10.8</b>
Increase/decrease in cash and cash equivalents	-9.9	-1.6	-8.3	Capital expenditure +23.5
Cash and cash equivalents at beginning of period	21.5	23.1	-1.6	M&A -10.0
Cash and cash equivalents at end of period	11.6	21.5	-9.9	<b>CF from financial activities -11.2</b>
				Bond issuance -19.9
				Long term debt +10.0

**KUREHA**

## 3. Key Indicators

# Key Indicators (1)

KUREHA CORPORATION

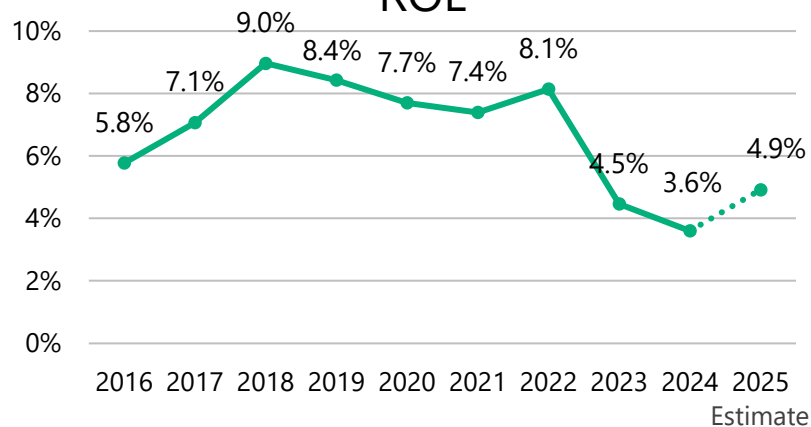


**KUREHA**

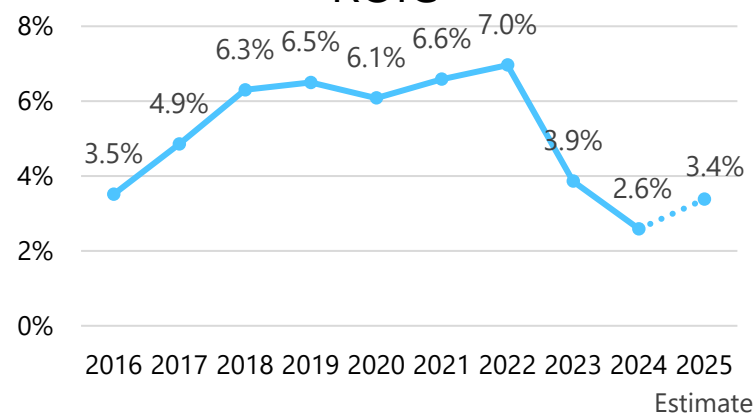
# Key Indicators (2)

KUREHA CORPORATION

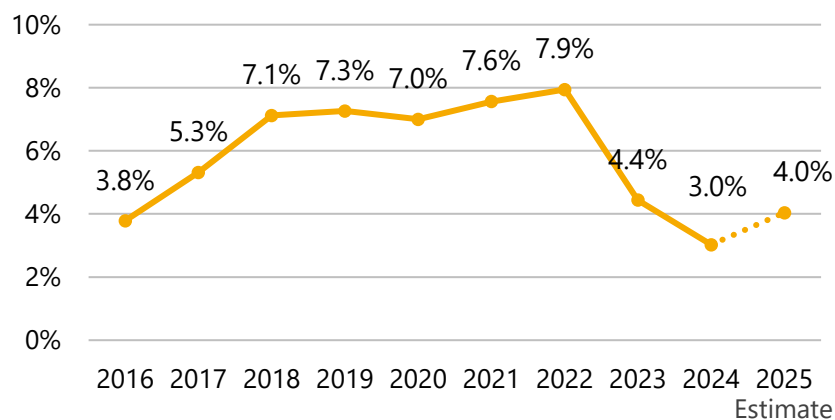
## ROE



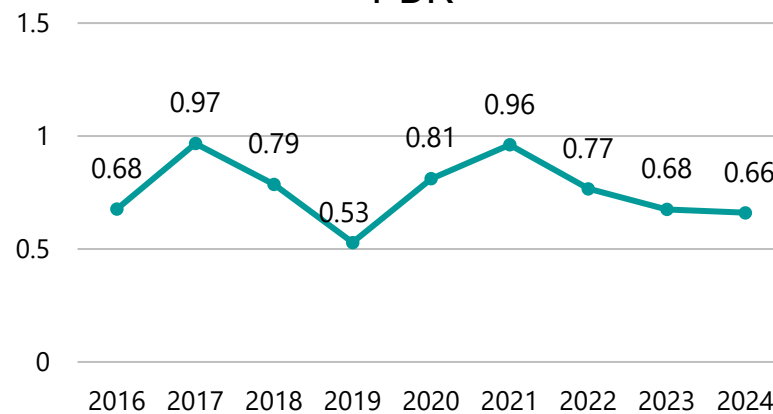
## ROIC



## ROA



## PBR

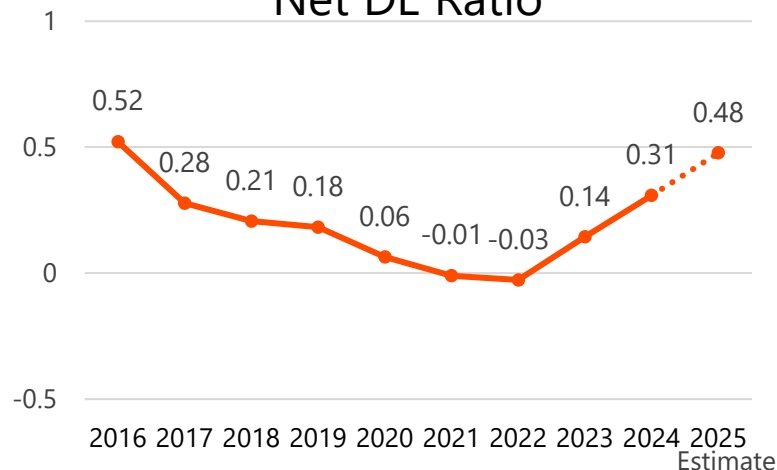




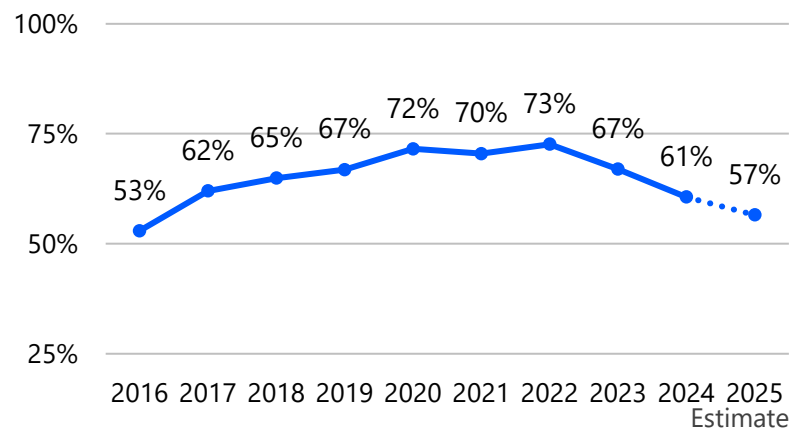
# Key Indicators (3)

KUREHA CORPORATION

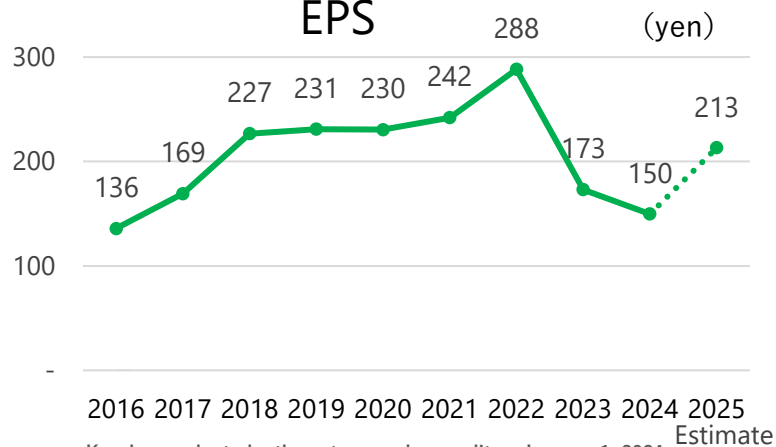
## Net DE Ratio



## Equity Ratio

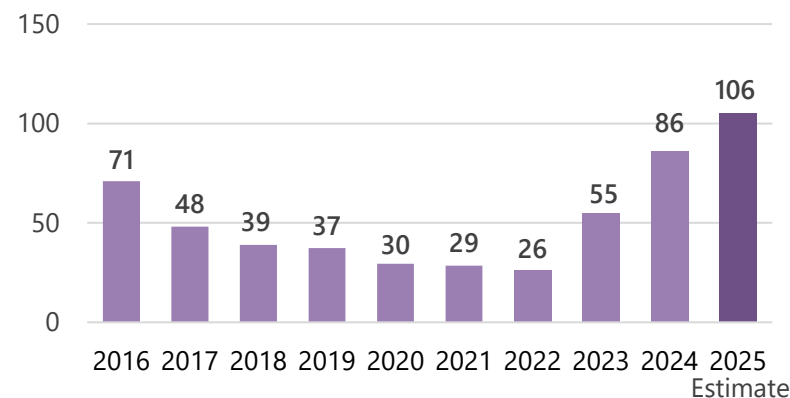


## EPS



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

## Interest-bearing debt (billion yen)



- This presentation material is provided for a deeper understanding of our company, and is not intended to be used as a solicitation for investment or other activities.
- This material has been prepared by our company based on the information available at the time of the presentation. Actual results may differ materially from those presented in this material due to various factors.
- Please utilize this material using your own judgment and responsibility.