

FY2025 1Q Results

KUREHA CORPORATION

August 8, 2025

Summary of FY2025 1Q

KUREHA CORPORATION

FY2025 1Q Results

Revenue and Profit

	26/3 1Q	25/3 1Q	Change YoY	(billion yen)		
				FY25 Forecast		
				1H	2H	Full-year
Advanced Materials	15.5	14.3	1.3	32.0	32.0	64.0
Specialty Chemicals	5.8	8.4	-2.6	14.0	16.0	30.0
Specialty Plastics	8.8	13.0	-4.2	19.0	19.0	38.0
Construction	2.4	1.9	0.5	6.5	8.5	15.0
Other Operations	4.1	4.4	-0.3	8.5	9.5	18.0
Revenue	36.5	41.9	-5.4	80.0	85.0	165.0
Advanced Materials	0.1	0.7	-0.6	0.8	1.8	2.6
Specialty Chemicals	-0.4	0.4	-0.8	-0.2	1.3	1.1
Specialty Plastics	1.6	1.7	-0.1	3.3	3.9	7.2
Construction	0.1	0.1	-0.0	0.3	0.6	0.9
Other Operations	0.4	0.5	-0.2	0.8	0.9	1.7
Core operating profit	1.8	3.5	-1.7	5.0	8.5	13.5
Adjustments	0.5	-0.3	0.8	1.0	-0.5	0.5
Operating profit	2.3	3.2	-0.9	6.0	8.0	14.0
Financial revenue costs and taxes	-0.3	-0.3	0.1	-1.5	-2.5	-4.0
Profit*	2.1	2.9	-0.8	4.5	5.5	10.0
EBITDA	5.4	6.4	-1.0	12.0	14.3	26.3

* Profit attributable to owners of the Company

FY2025 1Q YoY Change

- FY2025 1Q revenue and profit declined YoY.
- Revenue decreased due to lower sales of agrochemicals, the end of sales of heat-shrinkable multilayer film, and other factors.
- Although advanced materials posted higher revenue, operating profit also fell due to less gain on reversal of the loss on valuation of PGA inventories, lower profit of agrochemicals as a result of sales to be recorded in different periods, and other factors.

Outlook FY2025 Against the Earnings Forecast

- No changes have been made to the 1H and full-year forecasts announced on May 12, 2025.
- Expected major changes from 1Q to 2Q:
 - Improvement in profitability through the reversal of inventory write-down for PVDF
 - Improvement in profitability from PGA resin production in the United States
 - Increase in profit due to increased shipments of agrochemicals
 - Increase in profit from sales of large-scale promotional items in home products

< FY2025 Forecast >

	Revised	May	FY2024
ROE	5.2%	4.9%	3.6%
BPS (¥/share)	4,552	4,466	4,209
Equity ratio	50%	57%	61%

Forecasts revised due to the re-establishment (increase) of the share buy-back limit, which had been implemented in June 2025

< Actual PBR >

	Jun. 30, 2025	Mar. 31, 2025
PBR	0.70	0.66

Segment Performance: Advanced Materials and Specialty Chemicals

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Advanced Materials

	FY2025	FY2024	Diff.	
	1Q	1Q	Amount	%
PVDF	3.7	4.0	-0.4	-9%
PGA	2.1	1.6	0.5	33%
Others	3.9	3.7	0.2	6%
Advanced plastics	9.7	9.3	0.4	4%
Carbon products	2.1	2.0	0.2	9%
Others	3.7	3.0	0.7	24%
Revenue	15.5	14.3	1.3	9%
Operating profit	0.1	0.7	-0.6	-85%

Higher revenue and lower operating profit

Advanced Plastics

Revenue of PPS increased, and PGA saw a revenue increase but with decreased gain on reversal of the loss on valuation of inventories.
As a result, revenue increased but profit declined.

Specialty Chemicals

(billion yen)

	FY2025	FY2024	Diff.	
	1Q	1Q	Amount	%
Agrochemicals	0.7	2.6	-1.8	-72%
Pharmaceuticals	0.5	0.6	-0.1	-12%
Industrial chemicals	2.2	2.3	-0.1	-6%
Others	2.4	2.9	-0.5	-18%
Revenue	5.8	8.4	-2.6	-31%
Operating Profit	-0.4	0.4	-0.8	-

Lower revenue and operating profit

Agrochemicals and Pharmaceuticals

Revenue of agrochemicals fell in 1Q due to differences in the timing of sales from the previous fiscal year.
Revenue for pharmaceuticals was declined year on year due to lower sales. As a result, revenue and profit declined.

Other Specialty Chemicals

Revenue and profit decreased due to lower sales of caustic soda and agrochemicals raw materials at a trading company, which is our Group company.

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Segment Performance: Specialty Plastics, Construction and Other Operations

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Specialty Plastics

	FY2025	FY2024	Diff.	
	1Q	1Q	Amount	%
Home products	5.2	5.5	-0.3	-5%
Fishing lines	1.5	1.5	0.0	0%
Packaging materials	1.0	5.0	-4.0	-81%
Others	1.1	1.0	0.1	10%
Revenue	8.7	13.0	-4.2	-33%
Operating profit	1.6	1.7	-0.1	-8%

Higher revenue and lower operating profit

Packaging Materials

Revenue and operating profit declined owing to the end of sales of heat-shrinkable multilayer film in 1H of the previous fiscal year.

Home Products and Fishing Lines

Revenue of NEW Krewrap, food wrap film declined, but revenue of Seaguar, fishing line increased due to higher sales in overseas market.
As a result, revenue decreased but profit increased.

Construction

(billion yen)

	FY2025	Fy2024	Diff.	
	1Q	1Q	Amount	%
Revenue	2.4	1.9	0.5	24%
Operating profit	0.1	0.1	-0.0	-14%

Other operations

	FY2025	FY2024	Diff.	
	1Q	1Q	Amount	%
Environmental	2.6	2.8	-0.2	-8%
Logistics	0.4	0.4	-0.0	-9%
Hospital operations	1.1	1.1	-0.0	-3%
Others	0.1	0.1	-0.0	-7%
Revenue	4.1	4.4	-0.3	-7%
Operating profit	0.4	0.5	-0.2	-32%

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Financial Position

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Assets				Liabilities and Equity (billion yen)			
	Jun. 30, 2025	Mar. 31, 2025	Diff.		Jun. 30, 2025	Mar. 31, 2025	Diff.
Cash and cash equivalents	21.9	21.5	0.4	Trade and other payables	18.9	19.5	-0.6
Trade and other receivables	26.0	31.3	-5.2	Interest-bearing debt	125.5	86.0	39.4 ※1
Inventories	45.4	46.7	-1.3	Provisions	6.7	8.4	-1.7
Other current assets	4.8	5.3	-0.5	Other liabilities	19.0	20.3	-1.3
Total current assets	98.1	104.8	-6.6	Total liabilities	170.0	134.2	35.9
Property, plant and equipment	174.3	173.5	0.9	Shareholders' equity	18.2	18.2	
Intangible assets	5.3	5.3	0.0	Capital surplus	14.7	14.7	
Investments and other assets	65.0	61.8	3.3	Less: Treasury stock	-37.4	-15.8	-21.5 ※2
				Retained earnings	157.2	174.4	-17.2 ※3
				Other components of equity	18.3	17.9	0.4
Total non-current assets	244.7	240.5	4.1	Non-controlling interests	1.8	1.8	0.0
Total assets	342.8	345.3	-2.5	Total equity	172.8	211.1	-38.3
				Total liabilities and equity	342.8	345.3	-2.5

※1 ... Short term borrowings +31.7, Commercial paper +10.0

※2 ... Share buyback △39.1, Treasury stock disposal +17.5

※3 ... Net profit +2.1, Dividend △2.2,

Treasury stock cancellation after transfer from capital surplus △17.5

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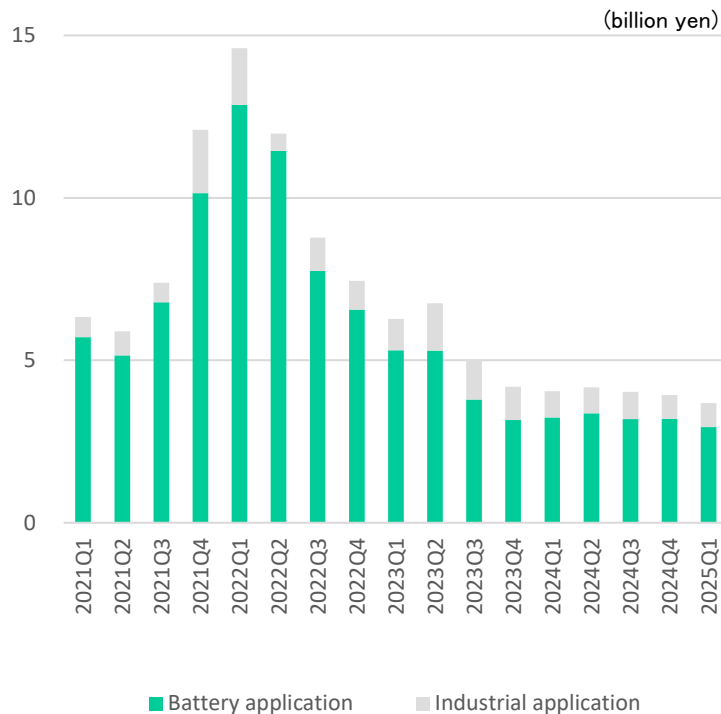
Cash Flow Result

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	(billion yen)			
	FY2025 1Q	FY2024 1Q	Diff.	
Profit before income tax	2.8	3.8	-0.9	
Depreciation	3.1	3.2	-0.1	
Other	0.2	4.2	-4.0	※1
Cash flow from operating activities	6.1	11.1	-5.0	※1
Cash flow from investing activities	△4.2	△4.1	-0.0	Income taxes paid △2.0
Free cash flow	1.9	7.0	-5.0	Trade and other receivables +0.6
Cash flow from financing activities	△1.3	△7.4	6.1	Inventories △ 0.6
Effect of exchange rate change on cash and cash equivalents	△0.3	1.0	-1.3	Trade and other payables △ 1.3
Increase/decrease in cash and cash equivalents	0.4	0.5	-0.2	※2
Cash and cash equivalents at beginning of period	21.5	23.1	-1.6	Short term borrowings and Commercial Paper +41.7
Cash and cash equivalents at end of period	21.9	23.7	-1.8	Acquisition of treasury stock △35.5

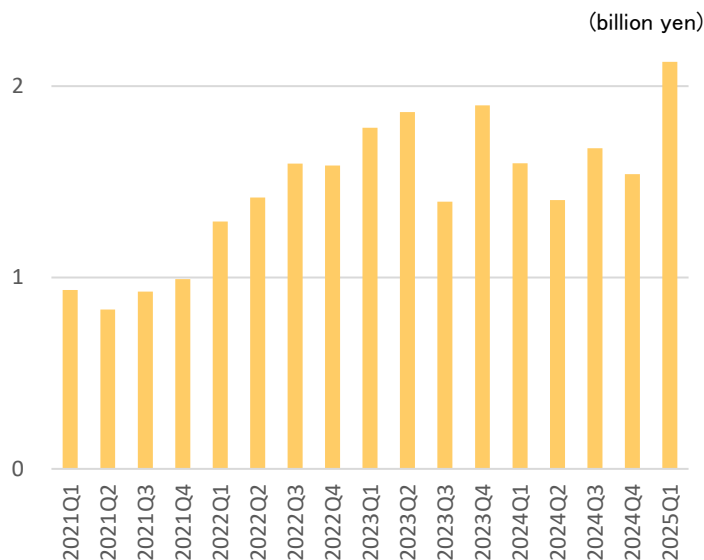
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< PVDF Revenue >



- Demand for LiB for automotive applications expected to expand sustainably in the medium- to long-term.
- There is also no change to the initial FY2025 forecast, which assumes that automotive applications will remain largely flat and ESS applications will expand.
- In terms of actual sales in 1Q, automotive applications fell slightly short of the initial forecast, while sales for ESS applications started as planned.
- Full-year results are projected to be in line with the forecast, reflecting higher shipments for automotive applications and continued growth in ESS application sales from the second quarter onward.
- For industrial applications, the development of new customers, including those in semiconductor manufacturing with shipments targeted for the current fiscal year is underway.
- New grades and projects announced in May 2025 are generally progressing in line with plans.
- No impact of reciprocal tariffs by the United States has been seen at this point.

<PGA Revenue>



- There are signs for a shift to a recovery trend in drilling activity in gas fields (high temperature) due to the rise in gas prices. Our share increased also in primarily-oil fields (medium-to high-temperature) as a result of the acquisition of new customers, resulting in increased sales.
- As for the low-temperature grade, which we started offering in the summer of FY2024, there has been progress in sales in Permian, a key region. We will make some design adjustments for re-launch before the end of 3Q to expand sales.
We will also target a market launch for ultra-low temperature regions before the end of 3Q.
- Field tests for switching to the short-type plug have been progressing at major customers, with the switching expected to occur by the end of the current fiscal year.
- At this time, there is no change to the initial sales and profit forecast.
- We will work to get the U.S. reciprocal tariffs to be passed on to prices, to avoid them having a significant impact on our profitability.

Review in FY2025 (disclosed in May)

FY2025 (revised)

Equity

Equity ratio **Approx. 50%**

* Appropriate review of business environment and portfolio changes as they occur

Continued

Dividends

Divided on Equity Ratio (DOE)

※ Measures to be taken until FY2026 **5%(approx.)**

Continued

Share Buybacks

Acquisition price

Approx. ¥15 billion will be implemented in FY2025

Cancellation method

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&A activities.

Acquisition price

Approx. ¥39.1 billion were implemented in FY2025 (completed in FY2025)

Cancellation method unchanged

Total Payback Ratio

Change to Divided on Equity Ratio

Continued

Cross-share Holdings

Reduction target Consolidated Net Assets Ratio:

Approx. 5%

* To be implemented by FY2030

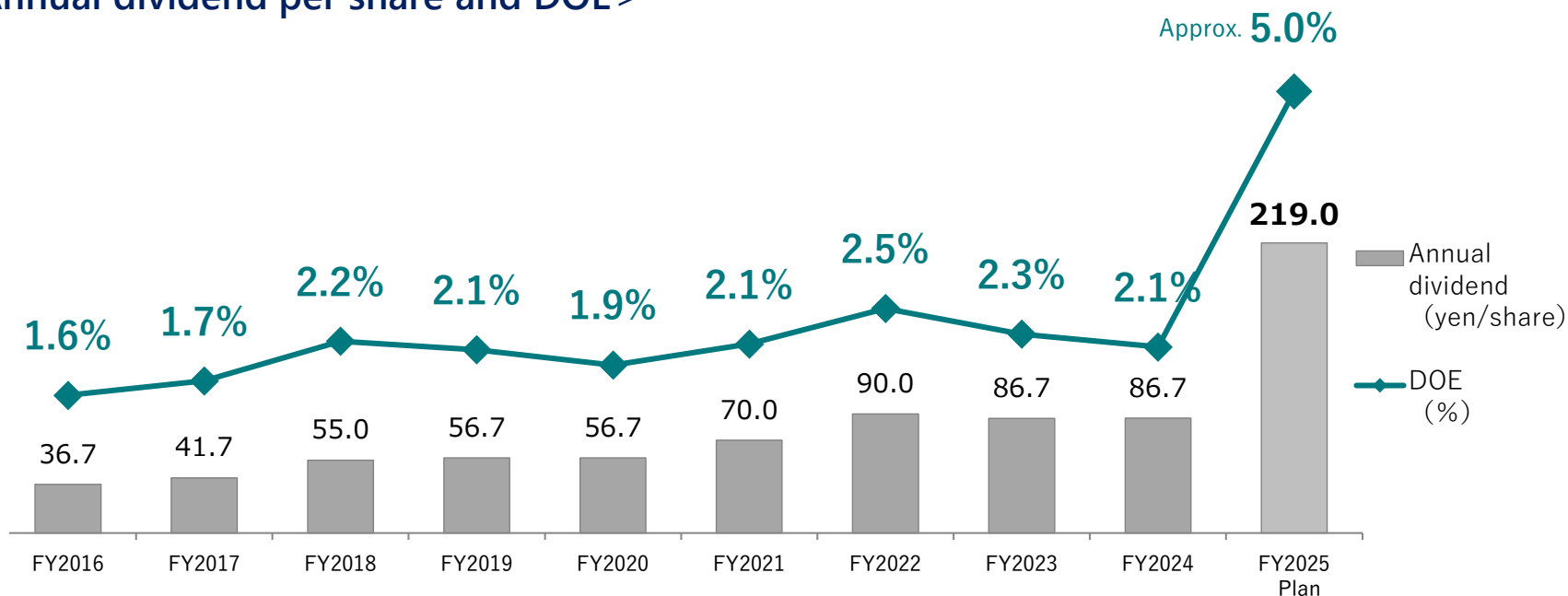
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Dividend Forecast

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Updated the forecast for dividend per share, which had been set at 216 yen, to the latest forecast due to changes in the amount of equity capital and number of shares resulting from the share buyback (ToSTNeT-3).

< Annual dividend per share and DOE >



Kureha conducted a ten-to-one share consolidation on October 1, 2016 and then conducted a three-to-one share split on January 1, 2024. All figures in this chart are presented on a post-split basis of January 2024.

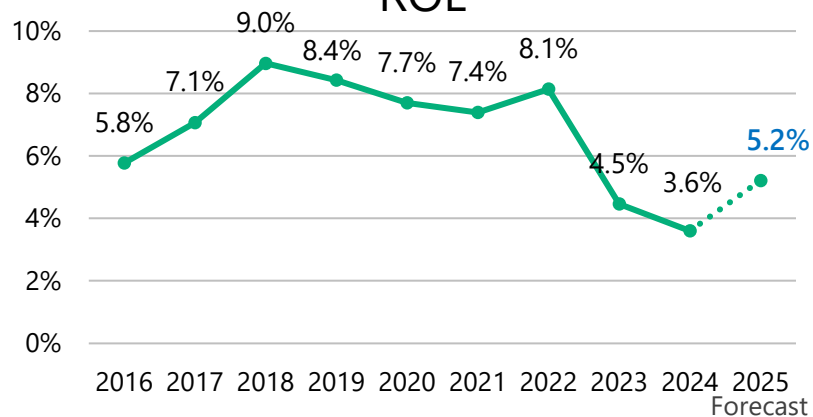
The dividend forecast per share has been calculated based on shareholders' equity, which reflects the current assumptions regarding share buybacks and other related factors.

Key Indicators (1)

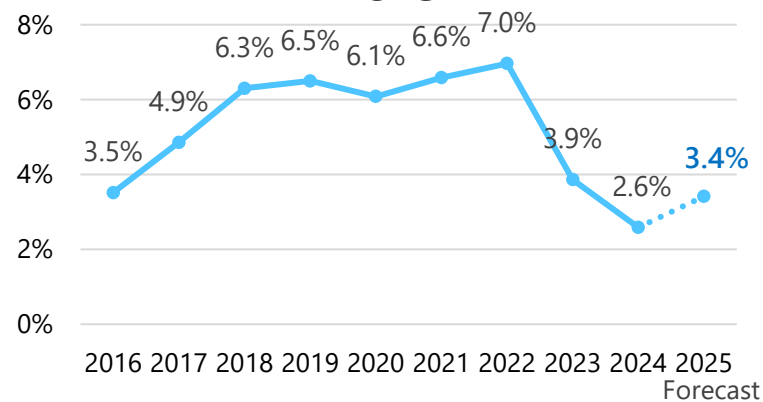
Revised forecasts due to the re-establishment (increase) of the share buy-back limit, which was implemented in June 2025, are shown in blue

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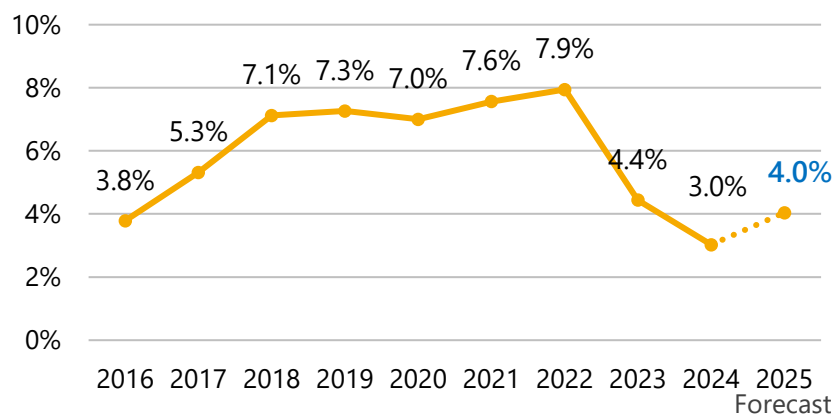
ROE



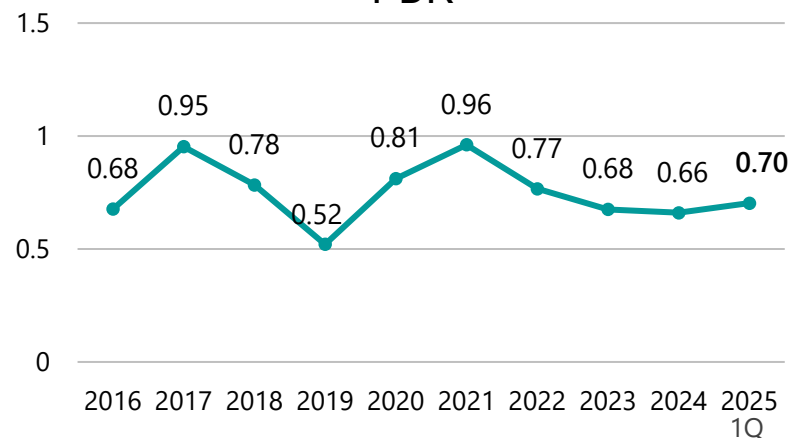
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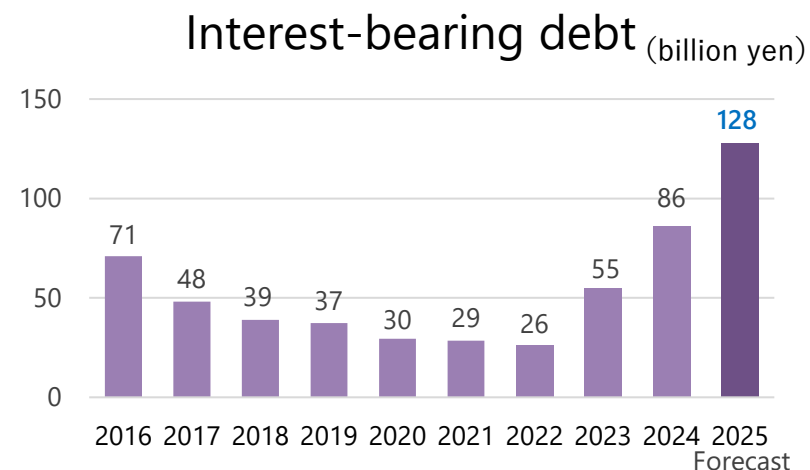
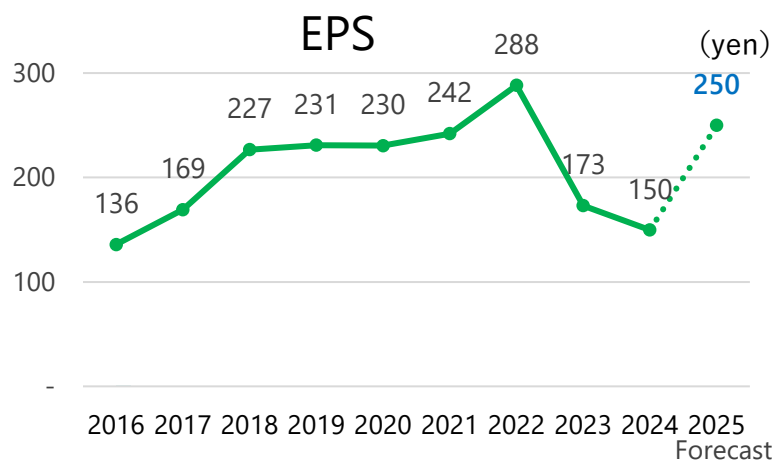
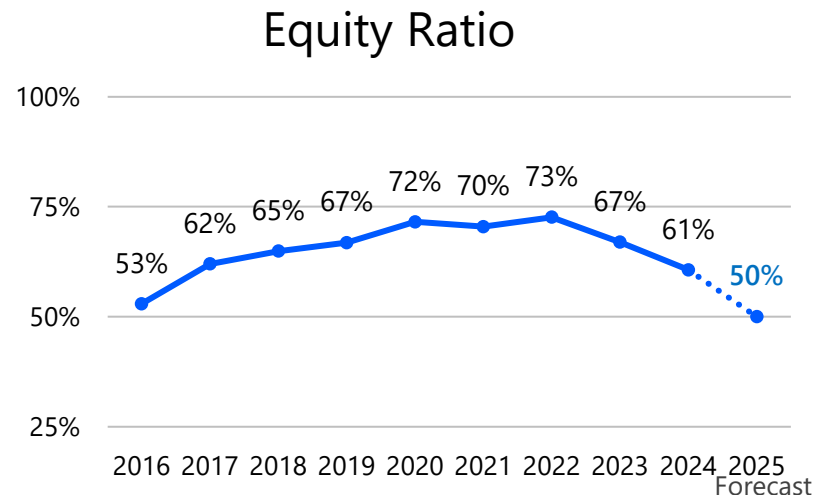
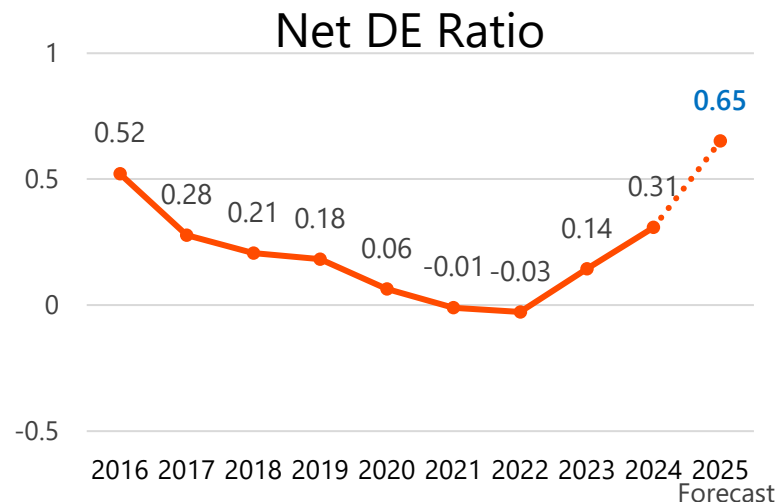
PBR



Key Indicators (2)

Revised forecasts due to the re-establishment (increase) of the share buy-back limit, which was implemented in June 2025, are shown in blue

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

Full-Year Cash Flow Forecast

Revised forecasts due to the re-establishment (increase) of the share buy-back limit, which was implemented in June 2025, are underlined

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	<u>△4.8</u>	6.6	-11.4	
Cash flow from operating activities	21.5	29.5	-8.0	
Cash flow from investing activities	<u>△24.7</u>	<u>△39.4</u>	<u>14.7</u>	Main factors
Free Cash flow	<u>△3.2</u>	△9.9	<u>6.7</u>	CF from operating activities <u>△8.0</u>
				Working capital <u>△10.0</u>
Cash flow from financing activities	<u>△3.4</u>	8.4	<u>-11.9</u>	CF from investment activities <u>+14.7</u>
				Capital expenditure +23.5
				M & A <u>△10.0</u>
				Investment securities <u>△0.5</u>
Effect of exchange rate changes on cash and cash equivalents		△0.2	0.2	CF from financial activities <u>△11.9</u>
Increase/decrease in cash and cash equivalents	<u>△6.7</u>	△1.6	<u>-5.0</u>	Short term debt and commercial paper <u>+12.5</u>
Cash and cash equivalents at beginning of period	21.5	23.1	-1.6	Long term debt <u>+22.0</u>
				Bond issuance <u>△19.9</u>
Cash and cash equivalents at end of period	<u>14.8</u>	21.5	<u>-6.7</u>	Acquisition of treasury stock <u>△24.0</u>

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