Kureha Corporation

Financial Results Presentation for the 1Q of the Fiscal Year Ending March 2027

August 7, 2026

Thank you very much for your participation today. I am Kawana, Vice President and General Manager of the Corporate Strategies and Accounting Division. We will now begin the presentation of the financial results of Kureha Group for 1Q of the fiscal year ending March 2027. Today, following my presentation, we will move on to a question-and-answer session, and we plan to conclude by 5:15 PM. Thank you.

First, I'd like to briefly explain the structure of this document.

The first half of this document summarizes the key points regarding the results for 1Q of the fiscal year ending March 2027 and the full-year forecast for that fiscal year. Specifically, after covering the key points of this presentation over the course of four pages, I plan to explain PVDF and PGA.

The latter part of this document includes consolidated financial results by segment, statements of financial position, actual cash flow statements, consolidated financial forecasts by segment, and key financial indicators. In today's presentation, I will mainly cover the materials through page nine, up to the PGA business, and then move on to the Q&A session.

Summary of FY2026 1Q Results (1)

KUREHA CORPORATION

Revenue and Profit (billion yen)

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

FY2026 1Q YoY Change

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

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

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

KUREHA

*Profit attributable to owners of parent

Core Operating Profit: Operating profit excluding non-recurring gains and losses (4)

Now, I will present the financial results for 1Q. This is slide number four.

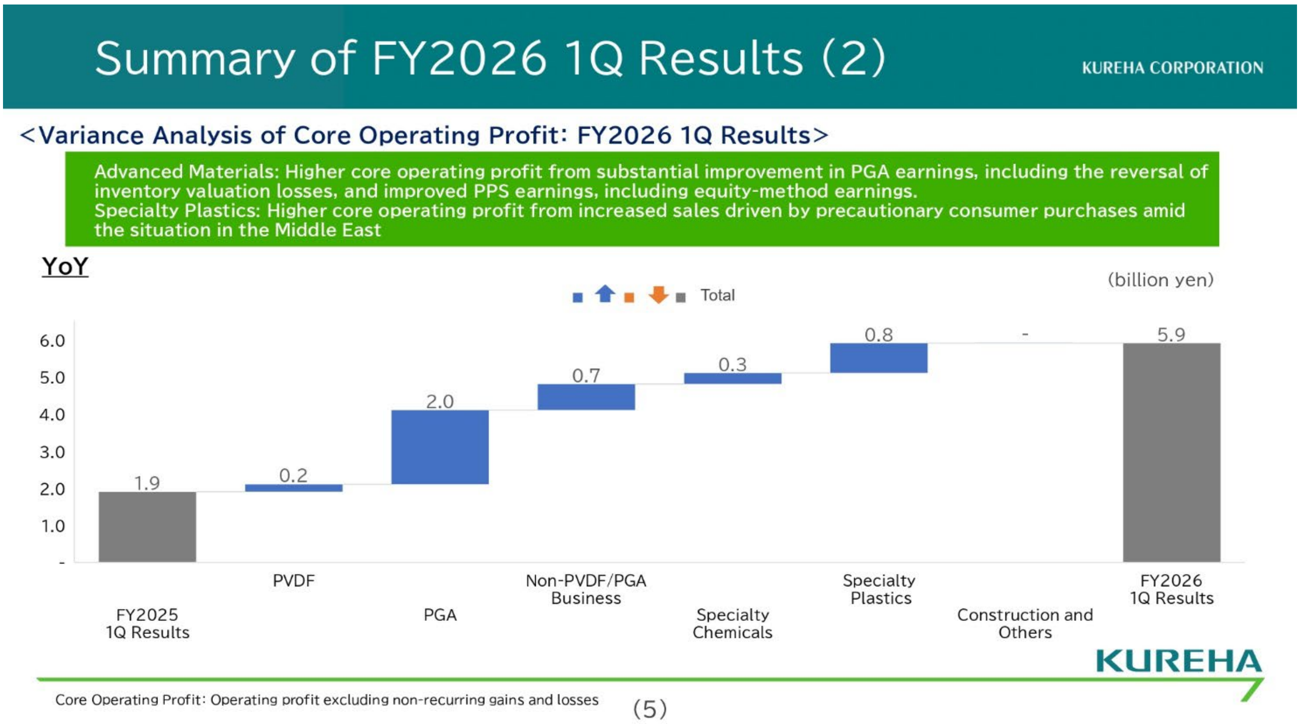
In 1Q of the fiscal year ending March 2027, both revenue and profit increased YoY. Revenue significantly exceeded the previous year's level, driven primarily by PGA in the Advanced Materials segment, crop protection in the Specialty Chemicals segment, and home products in the Specialty Plastics segment.

In the PGA business, thanks to favorable market conditions and expanded sales, a trend that continued from the previous fiscal year, we recorded our highest-ever sales volume for 1Q. Sales of crop protection exceeded the previous year's levels due to changes in the shipping schedule, while sales of home products increased as a result of consumers stockpiling goods in response to the situation in the Middle East.

In terms of earnings, core operating profit increased. In the Advanced Materials segment, a significant improvement in earnings from the PGA business, including the reversal of inventory valuation losses, and improved PPS earnings, including equity-method income, contributed to the increase. In addition, for the Specialty Plastics segment, sales increased due to consumers stockpiling goods in response to the situation in the Middle East, resulting in higher profits.

One point to note here is that the increase in profits for 1Q included certain temporary factors, such as a change in the timing of crop protection shipments, stockpiling of home products and a reversal of inventory valuation losses for PGA.

Therefore, rather than simply assuming that the strong performance of 1Q will continue throughout the full fiscal year, we believe it is necessary to carefully assess any potential pullback in 2Q and beyond, as well as changes in the business environment.



Slide five shows the factors contributing to the change in core operating profit for 1Q.

In the Advanced Materials segment, factors contributing to the increase in profit included a significant improvement in PGA profit, driven by factors such as a reversal of inventory valuation losses, and an improvement in PPS P&L, including equity-method income. In addition, for the Specialty Plastics segment, sales increased due to consumers stockpiling goods in response to the situation in the Middle East, resulting in higher profits.

Since the current situation includes some factors contributing to a temporary increase in profits, while we acknowledge our recent performance, we will continue to manage our business carefully for H1 and the full year, while closely assessing the characteristics and sustainability of each business.

Summary of FY2026 Full year Forecast (1)

KUREHA CORPORATION

Revenue and Profit (billion yen)

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

*Profit attributable to owners of parent

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

FY2026 1H and Full year Forecast Revisions

<FY2026 1H Forecast Revisions>

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

<FY2026 Full year Forecast Revisions>

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

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

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

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I would like to continue by explaining the revisions to our earnings forecasts for H1 and the full year.

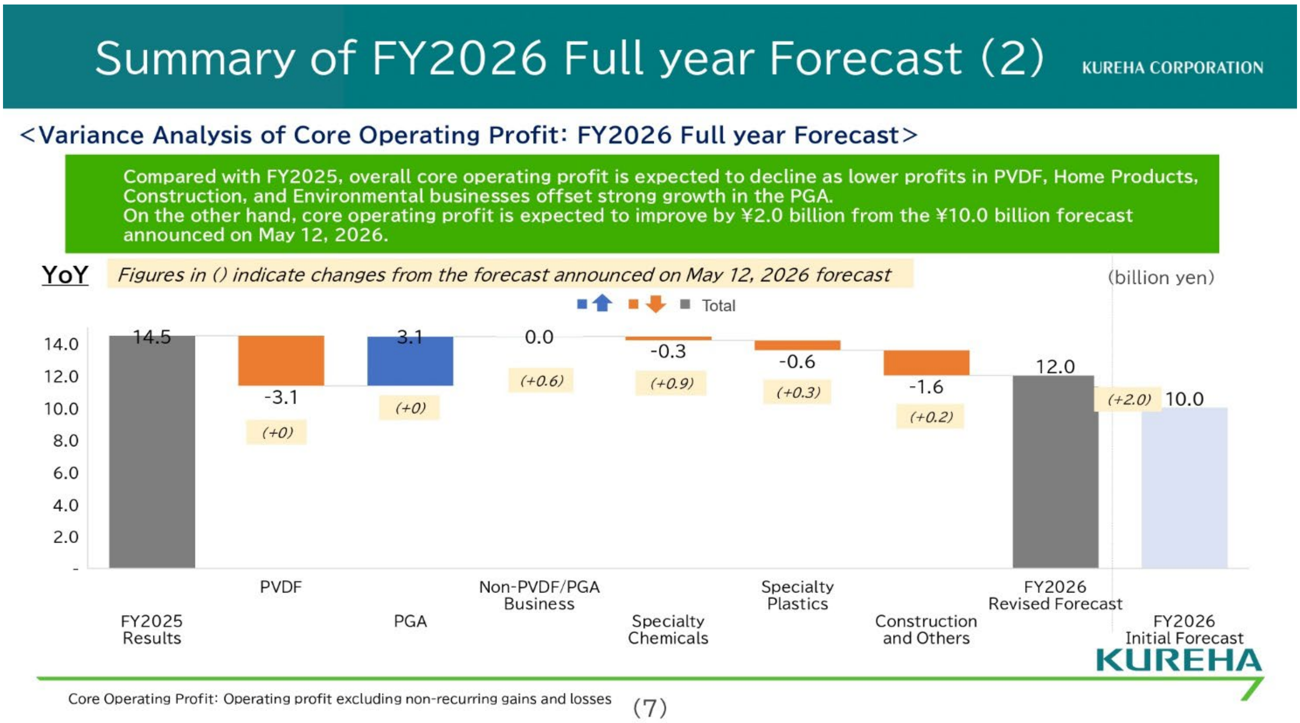
First, regarding our earnings forecast for H1 of the fiscal year, we have revised our revenue forecast upward. The main factors include changes in the shipping schedule for crop protection products in the Specialty Chemicals segment, among other things. We have also revised our core operating profit forecast upward due to increased sales of crop protection and higher equity method earnings.

In line with the increase in core operating profit, we have also revised our forecasts for operating profit and profit attributable to owners of parent upward. Please note that the interim dividend will be paid as originally scheduled.

Next is the full-year forecast. Regarding our earnings forecast for the full year, we have revised our revenue forecast upward due to price revisions in industrial chemicals and other reasons. We have also revised our core operating profit forecast upward due to increased profitability in industrial chemicals and higher equity method earnings.

On the other hand, there have been no changes to the operating profit, income before taxes, and profit attributable to owners of parent figures announced on May 12 of this year. This is due to the fact that we have factored in not only future changes in the business environment but also the review of our business portfolio and the potential for expenses related to fixed assets and other items.

Accordingly, our message is as follows: While we made good progress in 1Q and have revised upward our forecasts for core operating profit for H1 and the full year, we are maintaining our previously announced forecasts for operating profit, profit before tax, and profit attributable to owners of parent for the period, in light of the possibility of future expenses.



I would like to continue by explaining briefly the factors behind the changes in core operating profit for the full year.

Compared with the previous fiscal year, earnings from the PGA business are expected to improve significantly. On the other hand, we expect lower profits from PVDF, Specialty Plastics, the Construction business, and Other Operations, which includes the Environmental business, and we anticipate an overall decline in profits.

However, regarding core operating profit, we expect an improvement of JPY2 billion from the JPY10 billion figure we previously announced. While this improvement reflects our current business conditions, as noted here, factors such as PVDF and Specialty Plastics continue to weigh on profits.

Consequently, while we anticipate an improvement in core operating profit for the full fiscal year, we are maintaining a cautious outlook for operating profit and the profit line items below it, given the possibility of expenses and other factors mentioned earlier.

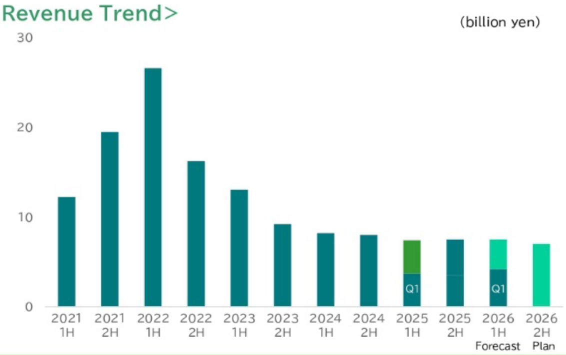
PVDF Business

KUREHA CORPORATION

<Market Overview>

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

<Revenue Trend>



<Profit and Loss Summary>

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

<Progress of Initiatives>

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

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I would like to continue by explaining the PVDF business first.

First, regarding the market environment, there has been no change to our outlook that demand for lithium-ion batteries for automotive applications will continue to grow over the medium to long term. In the short term, no change has been seen in the US market, which has been stagnant, EV subsidy programs have been reinstated in Europe, particularly in countries such as Germany. Demand for lithium-ion batteries used in ESS applications continues to grow, driven by increasing demand from data centers.

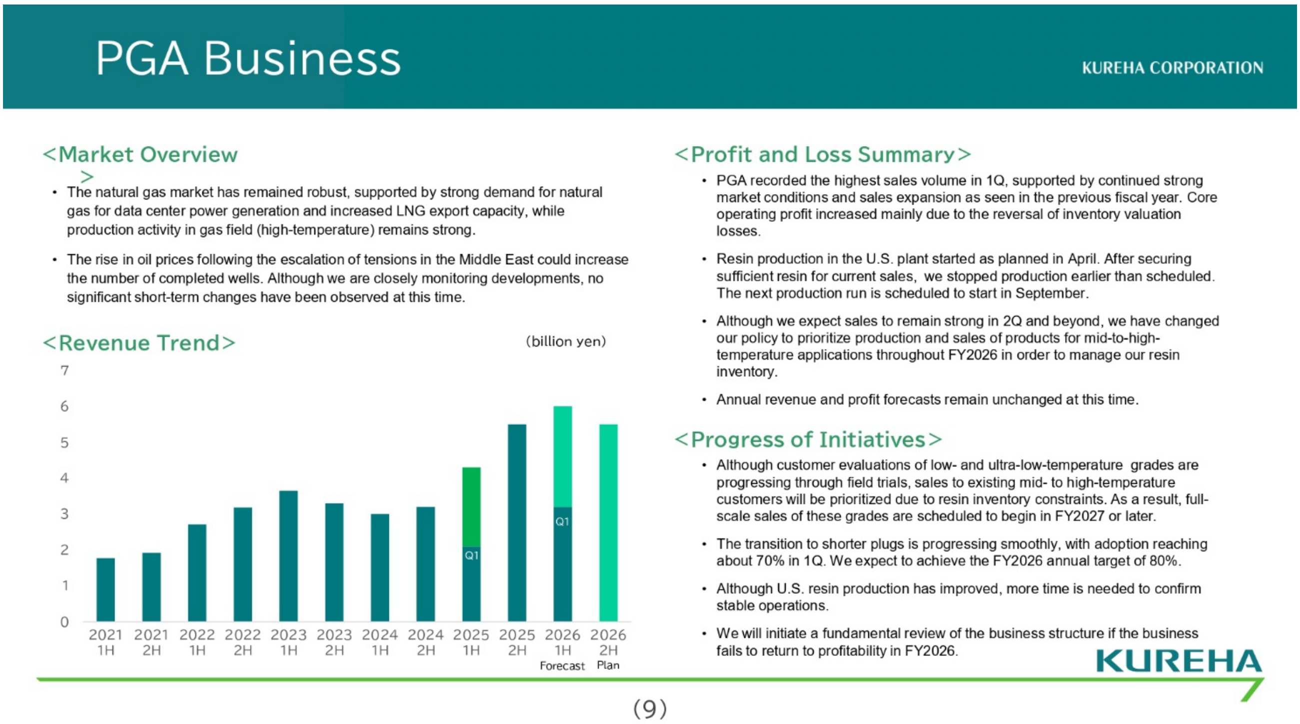
Furthermore, in response to the stagnation in the European and North American EV markets, lithium-ion battery manufacturers are increasingly shifting their production toward energy storage systems (ESS). Given these market conditions, our 1Q results show that sales of ESS applications exceeded the previous year's levels in both volume and value.

On the other hand, while sales for automotive applications exceeded initial projections, sales for ESS applications fell significantly short of expectations, resulting in both volume and revenue falling short of the plan. The upward revision in automotive applications is likely due to rising geopolitical risks and the resumption of subsidies in Europe. Unfortunately, at this point, we cannot yet foresee a return to a recovery trend. With regard to sales for ESS applications, sales are expected to decline starting in 2Q due to changes in the procurement mix adopted by certain customers to whom we had already begun supplying existing grades.

As a result, while we had initially anticipated that the share of ESS applications would expand to just under 30% of the total PVDF volume, it may end up being around 15%. Going forward, we will carefully assess our sales plans for 2Q and aim to secure new projects through the development of new, high-value-added grades for LFP batteries. In terms of P&L, due to higher-than-expected sales for automotive applications and progress on existing projects, we have not made any changes to our initial profit plan at this time. However, we will continue to carefully evaluate sales of automotive and ESS applications.

In terms of initiatives, the capacity expansion project at the Iwaki plant was completed in April 2026. We plan to capitalize certain pieces of equipment starting in H2 of this fiscal year. There are no changes from the original plan. In addition, several customers are currently evaluating our new high-value-added PVDF grades for LFP batteries, specifically those intended for ESS and EV applications.

With regard to expanding sales of our existing product grades, we have received provisional approval for adoption from new mid-sized Chinese lithium-ion battery manufacturers and expect sales volumes to increase from next fiscal year onward. Regarding the PVDF business, while I have explained the current changes in the ESS applications sales, we will comprehensively assess sales plans for both automotive and ESS applications, as well as progress in the development of new grades and the expansion of sales for existing grades.



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I would like to continue by explaining the PGA business.

Similarly, I'll start by discussing the market environment. The natural gas market continues to perform well, driven by strong demand for gas used to generate power for data centers and an increase in LNG export capacity. Production activities in gas fields, particularly in high-temperature areas, remain brisk. In addition, the number of well completions may increase due to rising oil prices following the escalation of tensions in the Middle East. Although we do not anticipate any major changes in the short term at this point, we will continue to closely monitor future developments.

In the PGA segment, thanks to favorable market conditions and expanded sales, a trend that continued from the previous fiscal year, we recorded our highest-ever sales volume for 1Q. As a result, revenue has significantly exceeded the previous year's level. In terms of profits, earnings increased due to factors such as the reversal of inventory valuation losses.

Resin production in the United States began in April as planned. We have secured sufficient resin inventory to meet current sales needs and have halted production earlier than planned. We plan to begin the next production run in September.

We expect sales to remain strong in 2Q and beyond. However, from the perspective of managing our resin inventory, we have revised our policy to prioritize the production and sales of products for medium- and high-temperature applications throughout FY2026. At this time, there are no changes to our annual revenue and profit forecasts.

In terms of initiatives, we are conducting customer evaluations of low-temperature and ultra-low-temperature plugs through field trials. However, due to resin inventory constraints, we will prioritize sales to our existing customers in the medium- and high-temperature markets; therefore, full-scale sales are scheduled to begin in FY2027 or later.

The transition to shorter plugs is progressing smoothly, with approximately 70% of the transition completed in 1Q, and we expect to achieve our annual target of 80% for FY2026. Although there are signs of improvement in US resin production, it will still take some time to confirm that operations have stabilized. With regard to the PGA business, we view achieving profitability in FY2026 as a key milestone. Although there are currently no changes to our annual revenue and profit targets, we plan to consider a fundamental review of our business structure should we fail to achieve a profit in FY2026.

That concludes my brief overview of the 1Q financial results, our approach to forecasting performance for H1 and the full year, and the status of our PVDF and PGA businesses.

To summarize the key points, in 1Q, we saw an increase in both revenue and profit compared to the same period last year. In particular, the PGA, crop protection, and home products drove revenue growth, while the reversal of inventory valuation losses in PGA and an improvement in equity-method income from PPS contributed to higher profit.

Second, while we are revising our core operating profit forecast upward for H1 and the full year, we have not changed our previously announced figures for operating profit and below, taking into account future changes in the business environment, a possible review of our business portfolio, and the possibility of fixed-asset-related expenses.

With regard to PVDF, we will proceed with the development of new grades for LFP batteries and the expansion of sales for existing grades, while carefully monitoring the decline in sales for ESS applications. As for PGA, demand and sales remain strong and there is no change to the annual revenue and profit plan at this time. On the other hand, we recognize that US resin production will still take some time to confirm that operations have stabilized.

That is all from me. Thank you very much.

Question & Answer

PVDF

[Q]: Regarding ESS, I'd like you to elaborate a bit more on what you mean, in simple terms, by "changes in the procurement mix at specific customers." Also, while you've pointed out the possibility of a downside risk for ESS application, the full-year profit forecast remains unchanged. Is it correct to understand that this will be fully offset by the automotive segment outperforming expectations?

[A]: Regarding the first point, specifically, certain customers for whom we began purchases of existing general-purpose grades last year have now started purchasing from two different suppliers.

Regarding the second point, while ESS sales face the issue I just mentioned, automotive PVDF sales exceeded our plan in 1Q, as I explained earlier. Taking both factors into account, we have not revised our full-year forecast at this time.

[Q]: You mentioned dual sourcing. Does that mean the shares of the two companies, Kureha and the other supplier, are roughly equal, is that understanding correct?

[A]: As for that point, we have not actually been able to confirm whether it is exactly half and half. However, from the customer's perspective, dual sourcing is a natural approach to ensure supply reliability, and it is something we have anticipated in our business. Given that we were selling general-purpose products under those circumstances, we intend to move forward with the development of new, high-value-added products and propose them to our customers going forward.

PGA

[Q]: Regarding the reversal of inventory valuation losses in the PGA business mentioned in the presentation, could you tell us how much was recorded in 1Q, what is expected for the full year, and whether this is above or below the Company's plan?

[A]: Our initial plan assumed a reversal of inventory valuation losses in the PGA business of JPY2.3 billion for the full year. In 1Q, we recorded JPY1.2 billion as a positive contribution to profit. For the full year, we now expect the reversal of inventory valuation losses to be JPY1.7 billion, compared with the initial plan of JPY2.3 billion. Although the reversal of inventory valuation losses is expected to be lower than initially assumed, there is no change to the full-year profit plan, partly due to the impact of inventory at the beginning of the fiscal year.

[Q]: Regarding low-temperature and ultra-low-temperature products, I understand that given the current market environment, you've determined it's better to prioritize high-temperature products, I apologize for asking again, but could you please comment on whether your remarks implied that low-temperature and ultra-low-temperature segments are expected to grow significantly next fiscal year?

[A]: As we mentioned earlier, we are currently conducting customer evaluations through field trials. Therefore, with regard to those aspects, I believe there are certainly areas where we expect some sales to materialize from FY2027 onward.

However, since only a small number of our customers are actually doing that at this point, as I mentioned earlier, we are primarily focused on selling products for medium- to high-temperature applications. I think that starting from FY2027 onward, rather than seeing a very large initial surge, we'll likely see things develop gradually.

[Q]: To summarize the overall situation: Since demand for gas-related products is currently strong, demand is growing in high-temperature gas fields. On the other hand, while you expect to be able to enter the low- and ultra-low-temperature markets in the medium to long term, should we assume that the ramp-up next fiscal year will be relatively gradual rather than rapid?

[A]: Yes. That is our understanding.

Crop Protection Products

[Q]: Regarding crop protection, you mentioned a change in the shipping schedule. Could you explain what that means in simpler terms?

[A]: Our business model is to sell active ingredients, which our customers then formulate into finished products. The change in the shipping schedule means that it has changed due to changes in the timing of our customers' formulation processes. Some shipments were deferred from the previous fiscal year to this fiscal year, while others originally scheduled for H2 have been brought forward to H1. In short, we are shipping in line with customer demand.

[Q]: In that sense, does that mean you should expect a significant decline next fiscal year?

[A]: Rather than affecting next fiscal year, this is primarily a timing shift within the current fiscal year, with some shipments brought forward from H2 to H1. On a full-year basis, we expect results to be broadly in line with our current plan, with some potential upside.

Home Products

[Q]: I understand that home products performed quite well due to consumers stocking up. Could you please comment on whether price increases have already been announced or are planned for the future, and how sales volume might be affected if these increases are reflected in prices? I'd also appreciate your insight into how these factors are currently being factored into your projections.

[A]: We have not announced any price increases for Krewrap at this time. To address the impact of higher raw material and fuel prices, we plan to improve profitability by tightening promotional terms while taking supply-demand conditions into account.

[END]