Quarterly Financial Summary

Note: This is an English translation of selected parts of the Quarterly Financial Summary in Japanese and is for reference purposes only. In the event of any discrepancy between the translation and the original Japanese text, the latter will prevail.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2026 (IFRS)

August 8, 2025

Company name: **Kureha Corporation**
Stock listing: **Tokyo Stock Exchange**
TSE code: **4023**
URL: **https://www.kureha.co.jp/en/**
Representative: **Yutaka Kobayashi, President and Chief Executive Officer**
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Scheduled date of dividend payment: —
Supplementary materials for quarterly financial results: Available
Financial results briefing: None

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (% figures indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	36,540	(12.9)	2,329	(27.2)	2,832	(24.7)	2,099	(28.1)	2,061	(28.2)	2,936	(58.8)
June 30, 2024	41,934	(4.2)	3,200	(35.2)	3,762	(32.9)	2,918	(10.3)	2,870	(11.3)	7,125	(11.6)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	45.35	45.29
June 30, 2024	52.74	52.67

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	342,821	172,799	171,028	49.9
March 31, 2025	345,298	211,139	209,372	60.6

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	43.35	—	43.35	86.70
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		109.50		109.50	219.00

Note 1: Changes in the dividend forecast from the most recent announcement: Yes
Note 2: For the fiscal year ending March 31, 2026, the Company plans to implement dividends based on a consolidated dividend on equity (DOE) target of 5%.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(% figures indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	80,000	(2.0)	6,000	(13.8)	6,000	(19.4)	4,500	(20.4)	107.56
Fiscal year ending March 31, 2026	165,000	1.8	14,000	48.5	14,000	37.0	10,000	28.2	249.82

Note 1: Changes in earnings forecast from the most recent announcement: None
Note 2: At the Board of Directors meeting held on May 12, 2025, and June 3, 2025, the Company resolved to acquire treasury stock. The impact of the treasury stock acquisition and other factors is taken into account in the "Basic Earnings Per Share" of the consolidated earnings forecast for the fiscal year ending March 31, 2026.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required under IFRS:	None
2) Changes in accounting policies other than those in item 1) above:	None
3) Changes in accounting estimates:	None

(3) Number of shares issued (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)	As of June 30, 2025	49,942,221 shares	As of March 31, 2025	55,433,221 shares
2) Number of treasury shares at the end of the period	As of June 30, 2025	11,728,752 shares	As of March 31, 2025	5,691,026 shares
3) Average number of shares outstanding during the period	Three months ended June 30, 2025	45,456,535 shares	Three months ended June 30, 2024	54,431,517 shares

* This quarterly financial summary is outside the scope of review by certified public accountants or audit corporations.

* Note to ensure proper use of financial forecasts, and other noteworthy matters

All forecasts and forward-looking statements in this report are based on information currently available to the Company and assumptions that are deemed to be reasonable, but Kureha Corporation does not guarantee the achievement of these forecasts. Actual results may differ significantly as a consequence of numerous factors. For more information regarding the assumptions and terms the Company applied when formulating earnings forecasts and precautions that should be taken when utilizing these earnings forecasts, please refer to "(4) Future Outlook included under the section "1. Overview of Operating Results and Outlook" on page 3 of the attached document.

(Attachment)

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1. Overview of Operating Results and Outlook

(1) Overview of Operating Results for the Period

During the first three months of the fiscal year ending March 31, 2026, while a gradual recovery in the global economy, including Japan, was anticipated, the outlook remained uncertain due to concerns over the impact of developments in U.S. trade policy and other factors.

Amid these circumstances, the Kureha Group is promoting sustainability-focused management aimed at balancing the enhancement of long-term corporate value with contributions to a sustainable society, in order to further advance the Group's development. In addition to the Kureha Group Corporate Philosophy, Kureha Vision, Management Policy targeting FY2030, and Medium- to Long-term Management Plan “Toward Creating a New Future,” the Group formulated and is implementing Rolling Plan 2025 in response to changes in the business environment.

In the first three months of the fiscal year ending March 31, 2026, the Group’s revenue and profits decreased year on year, primarily due to the termination of sales of heat-shrinkable multilayer film in the Specialty Plastics business during the first half of FY2024, and a decline in sales of agricultural and horticultural fungicides.

Revenue decreased 12.9% year on year to 36,540 million yen. Operating profit declined 27.2% to 2,329 million yen, profit before tax fell 24.7% to 2,832 million yen, profit decreased 28.1% to 2,099 million yen, and profit attributable to owners of parent declined 28.2% to 2,061 million yen.

Results by segment were as follows:

(Millions of yen)

	Revenue			Operating profit		
	Three months ended June 30, 2024	Three months ended June 30, 2025	Change	Three months ended June 30, 2024	Three months ended June 30, 2025	Change
Advanced Materials	14,262	15,529	1,267	693	103	(590)
Specialty Chemicals	8,401	5,816	(2,585)	370	(401)	(771)
Specialty Plastics	12,951	8,719	(4,231)	1,731	1,598	(132)
Construction	1,926	2,389	463	147	126	(21)
Other Operations	4,392	4,085	(307)	545	373	(172)
Segment Total	41,934	36,540	(5,394)	3,488	1,800	(1,687)
Adjustments*	—	—	—	(288)	528	817
Consolidated Total	41,934	36,540	(5,394)	3,200	2,329	(870)

Note: Operating profit adjustments include other income and expenses not allocated to reportable segments.

1) Advanced Materials

In the advanced materials category, although sales of polyvinylidene fluoride (PVDF) for lithium-ion secondary battery binders declined, sales of processed polyglycolic acid (PGA) products used in shale oil and gas extraction and polyphenylene sulfide (PPS) resin increased, resulting in higher overall revenue in this category. However, operating profit declined due to the absence of gains from the reversal of inventory valuation losses on PGA resin-processed products that were recorded in the fiscal year ended March 31, 2025.

In the carbon products category, revenue and operating profit both increased due to higher sales of thermal insulation materials for high-temperature furnaces.

As a result, revenue in this segment increased 8.9% year on year to 15,529 million yen, while operating profit declined 85.1% to 103 million yen.

2) Specialty Chemicals

In the agrochemicals and pharmaceuticals category, revenue and operating profit both declined due to lower sales of agricultural and horticultural fungicides as well as Kremezin, a treatment for chronic renal failure.

In the industrial chemicals category, revenue declined due to lower sales of organic chemicals; however, operating profit increased as a result of falling raw material prices.

As a result, revenue in this segment was 5,816 million yen (down 30.8% year on year), and an operating profit of 370 million yen in the three months ended June 30, 2024 turned into an operating loss of 401 million yen.

3) Specialty Plastics

In the consumer goods category, revenue declined due to lower sales of New Krewrap plastic wrap for household use. However, operating profit increased as the profit margin improved on the back of strong overseas sales of Seaguar fluorocarbon fishing lines.

In the commercial food packaging materials category, revenue and operating profit both declined due to the termination of sales of heat-shrinkable multilayer film during the first half of the fiscal year ended March 31, 2025.

As a result, revenue in this segment decreased 32.7% year on year to 8,719 million yen, and operating profit declined 7.7% to 1,598 million yen.

4) Construction

Revenue increased due to growth in both public and private-sector construction projects; however, operating profit declined as a result of changes in the sales mix.

As a result, revenue in this segment increased 24.0% year on year to 2,389 million yen, while operating profit declined 14.3% to 126 million yen.

5) Other Operations

In the environmental engineering category, revenue and operating profit both declined due to a decrease in the volume of waste processing.

In other businesses, both revenue and operating profit declined.

As a result, revenue in this segment decreased 7.0% year on year to 4,085 million yen, and operating profit declined 31.6% to 373 million yen.

(2) Overview of Financial Position for the Period

Total assets as of June 30, 2025 were 342,821 million yen, down 2,476 million yen from March 31, 2025. Current assets decreased by 6,624 million yen from the end of the previous fiscal year to 98,149 million yen, mainly due to declines in trade and other receivables as well as inventories. Non-current assets increased by 4,147 million yen from the end of the previous fiscal year to 244,672 million yen, primarily reflecting an increase in other financial assets due to higher valuations of investment securities, as well as an increase in property, plant and equipment associated with the expansion of polyvinylidene fluoride (PVDF) production facilities.

Total liabilities increased by 35,863 million yen from the end of the previous fiscal year to 170,022 million yen. This was primarily due to the payment of income taxes and bonuses, while interest-bearing debt increased by 39,448 million yen from the end of the previous fiscal year to 125,460 million yen, mainly due to an increase in borrowings.

Total equity decreased by 38,340 million yen from the end of the previous fiscal year to 172,799 million yen. This was mainly due to the acquisition of 39,017 million yen in treasury stock and dividend payments from retained earnings of 2,156 million yen, despite the recording of 2,061 million yen in profit attributable to owners of parent.

(3) Overview of Cash Flows for the Period

Net cash provided by operating activities was 6,088 million yen, a decrease of 4,999 million yen from the same period of the previous fiscal year. This was mainly due to an increase in corporate income tax payments and higher expenditures for trade and other payables.

Net cash used in investing activities totaled 4,156 million yen, a year-on-year increase of 28 million yen. This was mainly due to an increase in proceeds from the sale of property, plant and equipment and intangible assets, as well as higher expenditures for the acquisition of property, plant and equipment and intangible assets.

Net cash used in financing activities totaled 1,272 million yen, a year-on-year decrease of 6,143 million yen. This was primarily due to an increase in outflows for the acquisition of treasury stock, offset in part by increased proceeds from short-term borrowings and commercial paper.

As a result, cash and cash equivalents at the end of the period were 21,860 million yen, up 359 million yen from the end of the previous fiscal year.

(4) Future Outlook

The company has made no changes in the half and full fiscal year forecast disclosed on May 12, 2025.