

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.

Quarterly Financial Summary

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

May 12, 2026

Company name: Kureha Corporation
Stock listing: Tokyo Stock Exchange
TSE code: 4023
URL: <https://www.kureha.co.jp/en/>
Representative: Katsuhiro Nataka, Representative Director, President and Chief Executive Officer
Contact/Inquiries: Koki Ikenoue, General Manager, Corporate Communications Department; Phone +81-3-3249-4651
 Scheduled date for general meeting of shareholders: June 25, 2026
 Scheduled date for filing securities report: June 22, 2026
 Scheduled date of dividend payment: June 5, 2026
 Supplementary materials for quarterly financial results: Available
 Financial results briefing: Yes (for institutional investors and analysts)

(Figures are rounded off to the nearest million yen)

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

(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	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	161,688	(0.2)	(18,592)	—	(18,310)	—	(10,553)	—	(10,693)	—	1,618	(78.9)
March 31, 2025	162,015	(9.0)	9,428	(26.3)	10,218	(26.6)	7,896	(19.8)	7,800	(19.9)	7,666	(64.6)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit to revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	(267.14)	(267.14)	(5.7)	(5.4)	(11.5)
March 31, 2025	149.67	149.48	3.6	3.0	5.8

(Reference) Share of profit (loss) of entities accounted for using equity method: As of March 31, 2026: 1,185 million yen
As of March 31, 2025: (24) million yen

(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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	338,444	167,179	165,233	48.8	4,323.33
March 31, 2025	345,298	211,139	209,372	60.6	4,209.15

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	28,009	(13,723)	(7,959)	29,726
March 31, 2025	29,525	(39,436)	8,437	21,500

2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	—	43.35	—	43.35	86.70	4,431	57.9	2.1
March 31, 2026	—	109.50	—	104.50	214.00	8,178	—	5.0
Fiscal year ending March 31, 2027 (Forecast)	—	108.00	—	108.00	216.00		110.1	

(Note) For the fiscal year ending March 31, 2027, the Company plans to pay dividends based on a consolidated dividend on equity (DOE) target of 5%. The forecast dividend per share has been calculated on the basis of the forecast shareholders' equity.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(% 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, 2026	83,500	7.9	4,500	(44.5)	4,500	(46.8)	3,000	(52.5)	78.50
Fiscal year ending March 31, 2027	172,000	6.4	11,000	—	10,500	—	7,500	—	196.24

* 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 March 31, 2026	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 March 31, 2026	11,723,323 shares	As of March 31, 2025	5,691,026 shares
3) Average number of shares outstanding during the period	Fiscal year ended March 31, 2026	40,028,492 shares	Fiscal year ended March 31, 2025	52,117,292 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026****(from April 1, 2025 to March 31, 2026)****(1) Non-consolidated Operating Results****(% figures indicate year-on-year changes)**

	Revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	87,834	1.4	2,744	230.5	9,852	53.7	12,055	75.3
March 31, 2025	86,608	(9.9)	830	(89.7)	6,408	(53.2)	6,875	(32.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	301.17	300.72
March 31, 2025	131.93	131.76

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	276,613	115,793	41.8	3,027.08
March 31, 2025	265,297	148,095	55.8	2,974.96

(Reference) Equity: As of March 31, 2026: 115,691 million yen

As of March 31, 2025: 147,980 million yen

* This 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 4 of the attached document.

(Attachment)

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1. Overview of Operating Results and Outlook
(1) Overview of Operating Results for the Period
(Overview of Period)

(Millions of yen)

	Revenue	Operating profit (parentheses indicate a loss)	Profit before tax (parentheses indicate a loss)	Profit (parentheses indicate a loss)	Profit attributable to owners of parent (parentheses indicate a loss)	Basic earnings per share (parentheses indicate a loss)
Fiscal year ended March 31, 2026	161,688	(18,592)	(18,310)	(10,553)	(10,693)	(267.14 yen)
Fiscal year ended March 31, 2025	162,015	9,428	10,218	7,896	7,800	149.67 yen
Change	(326)	(28,021)	(28,529)	(18,450)	(18,493)	—

In the fiscal year ended March 31, 2026, while a modest recovery in the global economy, including Japan, was anticipated, uncertainty persisted due to concerns over prolonged conflicts in the Middle East and U.S. trade policy.

In response, the Kureha Group advanced sustainability-focused management aimed at balancing the enhancement of long-term corporate value with contributions to a sustainable society in order to further develop the Group. In addition to its existing Kureha Group Corporate Philosophy, the Kureha Vision, the Management Policy targeting FY2030, and the Medium- to Long-term Management Plan “Toward Creating a New Future,” the Group formulated and has been implementing the new Rolling Plan 2025 to address changing business conditions.

Revenue for the fiscal year under review decreased year-on-year, as increased sales of PGA (polyglycolic acid) resin processed products were offset by the termination of sales of heat-shrinkable multilayer film in the first half of the previous fiscal year and a decrease in sales of polyvinylidene fluoride resin for lithium-ion secondary battery binders. Operating profit declined from operating profit in the previous fiscal year to an operating loss. This was due to the recognition of impairment losses on fixed assets related to the polyvinylidene fluoride resin business, following a revision of the future revenue plan, reflecting a delay in the recovery of demand for binders for automotive lithium-ion secondary batteries—its primary application—amid continued stagnation in the EV (electric vehicle) market, as well as the recognition of impairment losses on manufacturing facilities for chronic kidney disease drugs, reflecting the contraction of the spherical activated carbon market due to the emergence of new therapeutic drugs and annual drug price reductions.

As a result, revenue decreased by 0.2% year-on-year to 161,688 million yen, operating loss was 18,592 million yen (compared with operating profit of 9,428 million yen in the previous fiscal year), loss before tax was 18,310 million yen (compared with profit before tax of 10,218 million yen in the previous fiscal year), loss was 10,553 million yen (compared with profit of 7,896 million yen in the previous fiscal year), and loss attributable to owners of parent was 10,693 million yen (compared with profit attributable to owners of parent of 7,800 million yen in the previous fiscal year).

Results by segment were as follows:

(Millions of yen)

	Revenue			Operating profit		
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Advanced Materials	57,372	61,279	3,907	(1,991)	2,134	4,126
Specialty Chemicals	30,677	29,487	(1,190)	592	1,350	758
Specialty Plastics	40,528	36,724	(3,803)	7,097	6,913	(183)
Construction	14,842	16,013	1,170	1,393	1,533	140
Other Operations	18,593	18,183	(409)	2,911	2,592	(319)
Segment Total	162,015	161,688	(326)	10,002	14,524	4,522
Adjustments*	—	—	—	(574)	(33,117)	(32,543)
Consolidated Total	162,015	161,688	(326)	9,428	(18,592)	(28,021)

Note: Operating profit adjustments include other income and expenses not allocated to reportable segments. For details, refer to “Consolidated Statement of Income” under “(5) Notes to Consolidated Financial Statements.”

1) Advanced Materials

In the advanced materials category, although sales of polyvinylidene fluoride (PVDF) resin for lithium-ion secondary battery binders declined, sales of processed polyglycolic acid (PGA) resin products for shale oil and gas drilling applications and polyphenylene sulfide (PPS) resin increased. Combined with falling raw material prices, these factors

resulted in increases in both revenue and operating profit in this category.

In the carbon products category, sales of spherical activated carbon increased, resulting in increases in both revenue and operating profit.

As a result, revenue in this segment was 61,279 million yen (up 6.8% year-on-year), and operating profit was 2,134 million yen (compared with an operating loss of 1,991 million yen in the previous fiscal year).

2) Specialty Chemicals

In the agrochemicals and pharmaceuticals category, although sales of Kremezin, a therapeutic agent for chronic kidney disease, declined, sales of agricultural and horticultural fungicides increased, resulting in increases in both revenue and operating profit in this category.

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

As a result, revenue in this segment was 29,487 million yen (down 3.9% year-on-year), and operating profit was 1,350 million yen (up 128.0% year-on-year).

3) Specialty Plastics

In the consumer goods category, higher sales of New Krewrap plastic wrap for household use and Seaguar fluorocarbon fishing lines led to increases in both revenue and operating profit in this segment.

In the commercial food packaging materials category, revenue and operating profit both declined following the discontinuation of multilayer heat-shrinkable film sales during the first half of the previous fiscal year.

As a result, revenue in this segment was 36,724 million yen (down 9.4% year-on-year), and operating profit was 6,913 million yen (down 2.6% year-on-year).

4) Construction

Both revenue and operating profit increased as large-scale projects progressed steadily in both public and private sector construction.

As a result, revenue in this segment was 16,013 million yen (up 7.9% year-on-year), and operating profit was 1,533 million yen (up 10.1% year-on-year).

5) Other Operations

In the environmental engineering category, revenue and operating profit both declined due to lower volumes of waste processing.

In other businesses, both revenue and operating profit declined.

As a result, revenue in Other Operations was 18,183 million yen (down 2.2% year-on-year), and operating profit was 2,592 million yen (down 11.0% year-on-year).

(2) Overview of Financial Position for the Period

Total assets at the end of the period were 338,444 million yen, down 6,853 million yen from the end of the previous fiscal year. Current assets were 110,858 million yen, up 6,084 million yen from the end of the previous fiscal year, as cash and cash equivalents increased despite a decrease in inventories. Non-current assets were 227,586 million yen, down 12,938 million yen from the end of the previous fiscal year, as property, plant and equipment decreased due to the recognition of impairment losses, despite increases in retirement benefit assets and deferred tax assets.

Total liabilities were 171,265 million yen, an increase of 37,106 million yen from the end of the previous fiscal year. This was mainly due to an increase in interest-bearing debt, which rose by 38,214 million yen from the end of the previous fiscal year to 124,225 million yen, primarily reflecting an increase in borrowings, despite a decrease in deferred tax liabilities.

Total equity decreased by 43,960 million yen from the end of the previous fiscal year to 167,179 million yen. This was due to an increase in other components of equity reflecting a rise in the fair value of investment securities and the impact of yen depreciation in the foreign exchange market, while a loss attributable to owners of parent of 10,693 million yen was recorded, treasury stock of 39,057 million yen was acquired, and dividends of 6,341 million yen were paid.

(3) Overview of Cash Flows for the Period

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Cash flows from operating activities	29,525	28,009	(1,515)
Cash flows from investing activities	(39,436)	(13,723)	25,712
Cash flows from financing activities	8,437	(7,959)	(16,396)
Effect of exchange rate changes on cash and cash equivalents	(156)	1,898	2,055
Net increase (decrease) in cash and cash equivalents	(1,630)	8,226	9,856
Cash and cash equivalents at beginning of period	23,131	21,500	(1,630)
Cash and cash equivalents at end of period	21,500	29,726	8,226
Interest-bearing debt at end of period	86,011	124,225	38,214

Net cash provided by operating activities was 28,009 million yen, a decrease of 1,515 million yen from the previous fiscal year. This was mainly due to an increase in corporate income tax payments.

Net cash used in investing activities was 13,723 million yen, a decrease of 25,712 million yen compared with the previous fiscal year. This was mainly due to a decrease in expenditures for the acquisition of property, plant and equipment and intangible assets, as well as an increase in proceeds from the sale of property, plant and equipment and intangible assets.

Cash flows from financing activities shifted from an inflow of 8,437 million yen in the previous fiscal year to an outflow of 7,959 million yen in the current fiscal year. This was due to an increase in cash inflows from changes in short-term borrowings and commercial paper, while cash outflows related to the acquisition of treasury stock increased.

As a result, cash and cash equivalents at the end of the period were 29,726 million yen, up 8,226 million yen from the end of the previous fiscal year.

(4) Future Outlook

The risk of rising raw material and fuel prices and procurement disruptions due to the risk of a closure of the Strait of Hormuz stemming from the situation in Iran continues, and the outlook remains uncertain. In preparing the full-year earnings forecast for FY2026, crude oil prices and other factors are assumed to remain at current levels; however, depending on developments in the Middle East situation, sharp fluctuations in raw material and fuel prices and a deterioration in procurement conditions may be expected, which could affect performance. As a group, we will strive to minimize these impacts by appropriately passing on costs to selling prices, diversifying procurement sources, and promoting cost reduction measures. Under these circumstances, the Group's performance outlook by reportable segment is as follows.

In the Advanced Materials segment, polyvinylidene fluoride (PVDF) for lithium-ion secondary battery binders is currently undergoing an inventory adjustment phase due to stagnation in the EV market. However, demand is expected to remain steady over the medium to long term, including for applications such as energy storage systems (ESS), and we will work to strengthen profitability alongside efforts to expand sales. For PPS resin, demand for automotive applications is expected to grow gradually, while demand for optical communication components for data centers is also expanding, and we expect steady demand to continue over the medium to long term. For PGA (polyglycolic acid) resin processed products, the shale gas market remains firm, and we expect steady demand to continue over the medium to long term. Alongside efforts to expand sales, we will work to strengthen profitability. In the Specialty Chemicals segment, for agrochemicals, although testing expenses associated with the development of new products are expected to impact profitability in the short term, these are positioned as investments aimed at strengthening future competitiveness, and we will continue to advance the development of new products. In the Specialty Plastics segment, demand for consumer goods is expected to remain firm. For commercial food packaging materials, alongside efforts to expand sales, we will work to strengthen profitability. In the Construction segment, we expect an increase in revenue driven by strong orders for external projects. In the Other Operations segment, we expect a decrease in waste processing volume in the environmental engineering business and an increase in treatment costs driven by higher raw material and fuel prices.

For FY2026, we forecast consolidated revenue of 172,000 million yen, operating profit of 11,000 million yen, profit before tax of 10,500 million yen, and profit attributable to owners of parent of 7,500 million yen.

The exchange rate assumptions are as follows: ¥155/USD, ¥180/EUR, and ¥22/CNY.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

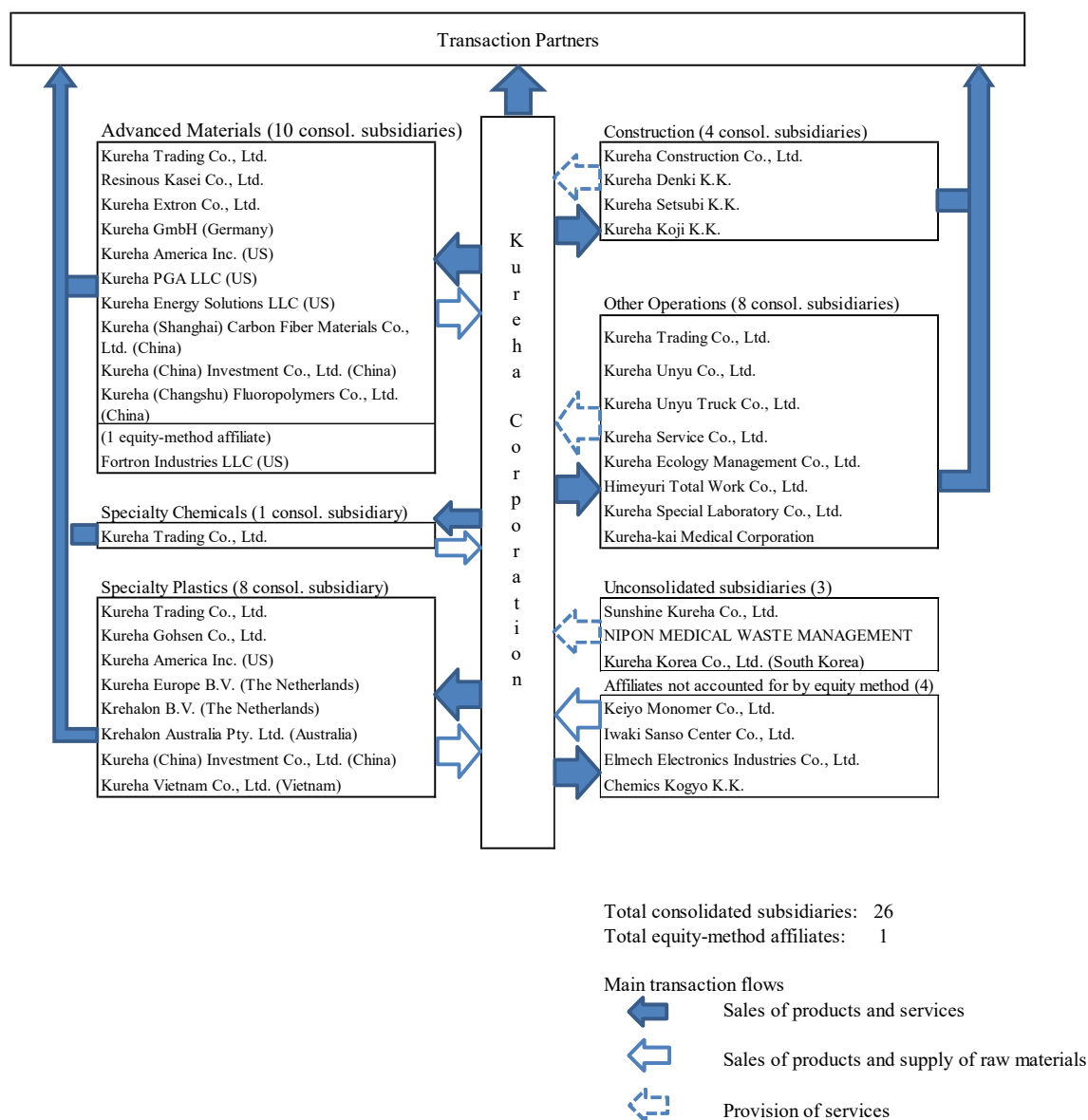
To ensure the stability of shareholder returns without being affected by short-term fluctuations in performance, the Company introduced dividend on equity (DOE) from FY2025. The Company set a DOE target of 5% for FY2025 and FY2026.

In the next medium-term management plan (FY2026 to FY2028), the Company's basic policy on profit distribution is to provide stable dividends while strengthening internal reserves to support proactive investment for future business development, and it plans to maintain dividends based on a DOE target of 5% from FY2027 onward. If business conditions change more significantly than expected or if growth investments exceed expectations, the Company will flexibly review the DOE ratio.

Based on the above policy, the year-end dividend for FY2025 will be 104.50 yen per share, and together with the interim dividend of 109.50 yen per share, the annual dividend will be 214 yen per share. The annual dividend for FY2026 is expected to be 216 yen per share (108 yen interim and 108 yen year-end).

2. Group Companies

The Kureha Group consists of the Company, 29 subsidiaries (of which 26 are consolidated), and five affiliates (of which one is an equity-method affiliate). It manufactures and sells advanced materials, chemical materials, and specialty plastics as its core business, and also provides construction and repairs of facilities for its segments, logistics, environmental solutions, and other services.



- (Note)
1. Kureha Corporation sells products in the Advanced Materials, Specialty Chemicals, and Specialty Plastics segments.
 2. Kureha Trading Co., Ltd., Kureha America Inc., and Kureha (China) Investment Co., Ltd. operate across several segments, and their results are therefore presented under the relevant segments.
 3. Krehalon B.V., and Krehalon Australia Pty. Ltd. in the Specialty Plastics segment are undergoing liquidation proceedings.
 4. Kureha Construction Co., Ltd. absorbed Kureha Koji K.K. on April 1, 2026.
 5. Kureha Denki K.K. absorbed Kureha Setsubi K.K. on April 1, 2026, and changed its company name to Kureha Tech Co., Ltd.
 6. Kureha Service Co., Ltd. absorbed Kureha Special Laboratory Co., Ltd. on April 1, 2026.

3. Basic Policy Regarding Selection of Accounting Standards

To strengthen global business development and promote integrated business planning, and to respond to the increasing globalization of its stakeholders, the Company has voluntarily adopted the International Financial Reporting Standards (IFRS) since the fiscal year ended March 31, 2017.

4. Consolidated Financial Statements and Important Notes
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	21,500	29,726
Trade and other receivables	31,253	32,584
Other financial assets	11	6
Inventories	46,734	43,389
Other current assets	5,273	5,151
Total current assets	104,774	110,858
Non-current assets		
Property, plant and equipment	173,472	147,143
Intangible assets	5,293	4,874
Investments accounted for using equity method	16,416	17,920
Other financial assets	24,696	28,046
Deferred tax assets	1,991	6,428
Retirement benefit asset	18,217	22,600
Other non-current assets	436	571
Total non-current assets	240,524	227,586
Total assets	345,298	338,444

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Current liabilities		
Trade and other payables	19,490	21,015
Bonds and borrowings	17,767	37,333
Other financial liabilities	1,612	1,551
Income taxes payable	2,375	2,088
Provisions	7,106	6,681
Other current liabilities	7,080	9,166
Total current liabilities	55,433	77,836
Non-current liabilities		
Bonds and borrowings	62,764	82,323
Other financial liabilities	4,961	3,888
Deferred tax liabilities	7,563	3,466
Provisions	1,271	1,240
Retirement benefit liability	281	255
Other non-current liabilities	1,884	2,254
Total non-current liabilities	78,725	93,428
Total liabilities	134,159	171,265
Equity		
Share capital	18,169	18,169
Capital surplus	14,724	14,703
Treasury shares	(15,842)	(37,335)
Retained earnings	174,432	145,392
Other components of equity	17,888	24,303
Total equity attributable to owners of parent	209,372	165,233
Non-controlling interests	1,767	1,946
Total equity	211,139	167,179
Total liabilities and equity	345,298	338,444

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Revenue	162,015	161,688
Cost of sales	119,521	116,140
Gross profit	42,493	45,547
Selling, general and administrative expenses	32,579	32,261
Share of profit (loss) of entities accounted for using equity method	(24)	1,185
Other income	1,136	4,201
Other expenses	1,597	37,265
Operating profit (loss)	9,428	(18,592)
Finance income	986	1,038
Finance costs	196	757
Profit (loss) before tax	10,218	(18,310)
Corporate income tax expenses	2,321	(7,757)
Profit (loss)	7,896	(10,553)
Profit attributable to:		
Owners of parent	7,800	(10,693)
Non-controlling interests	96	139
Profit (loss)	7,896	(10,553)
Earnings per share		
Basic earnings per share (loss) (yen)	149.67	(267.14)
Diluted earnings per share (loss) (yen)	149.48	(267.14)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit (loss)	7,896	(10,553)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	90	4,993
Remeasurements of defined benefit plans	429	2,599
Total	519	7,593
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(601)	4,415
Share of other comprehensive income of equity-method affiliates	(149)	162
Total	(750)	4,578
Other comprehensive income, net of tax	(230)	12,171
Comprehensive income	7,666	1,618
Comprehensive income attributable to:		
Owners of parent	7,623	1,222
Non-controlling interests	42	395
Comprehensive income	7,666	1,618

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of April 1, 2024	18,169	14,724	(9,616)	177,300	177	8,304
Profit (loss)				7,800		
Other comprehensive income						(750)
Total comprehensive income	—	—	—	7,800	—	(750)
Purchase of treasury shares			(15,002)			
Cancellation of treasury shares		(8,655)	8,655			
Share-based payment transactions		(23)	121		(63)	
Dividends				(4,660)		
Transfer from retained earnings to capital surplus		8,678		(8,678)		
Transfer from other components of equity to retained earnings				2,670		
Total transactions with owners	—	—	(6,226)	(10,668)	(63)	—
Balance as of March 31, 2025	18,169	14,724	(15,842)	174,432	114	7,554

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
Balance as of April 1, 2024	12,317	—	20,799	221,377	1,771	223,148
Profit (loss)			—	7,800	96	7,896
Other comprehensive income	140	432	(176)	(176)	(53)	(230)
Total comprehensive income	140	432	(176)	7,623	42	7,666
Purchase of treasury shares			—	(15,002)		(15,002)
Cancellation of treasury shares			—	—		—
Share-based payment transactions			(63)	34		34
Dividends			—	(4,660)	(46)	(4,707)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings	(2,237)	(432)	(2,670)	—		—
Total transactions with owners	(2,237)	(432)	(2,734)	(19,628)	(46)	(19,675)
Balance as of March 31, 2025	10,219	—	17,888	209,372	1,767	211,139

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Exchange differences on translation of foreign operations
Balance as of April 1, 2025	18,169	14,724	(15,842)	174,432	114	7,554
Profit (loss)				(10,693)		
Other comprehensive income						4,578
Total comprehensive income	—	—	—	(10,693)	—	4,578
Purchase of treasury shares		(37)	(39,019)			
Cancellation of treasury shares		(17,487)	17,487			
Share-based payment transactions		1	39		(12)	
Dividends				(6,341)		
Equity transactions with non-controlling interests		(21)				
Transfer from other components of equity to retained earnings		17,523		(17,517)		
Transfer from other components of equity to retained earnings				5,517		
Total transactions with owners	—	(21)	(21,492)	(18,347)	(12)	—
Balance as of March 31, 2026	18,169	14,703	(37,335)	145,392	102	12,132

	Equity attributable to owners of parent					
	Other components of equity					Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	
Balance as of April 1, 2025	10,219	—	17,888	209,372	1,767	211,139
Profit (loss)			—	(10,693)	139	(10,553)
Other comprehensive income	4,760	2,576	11,916	11,916	255	12,171
Total comprehensive income	4,760	2,576	11,916	1,222	395	1,618
Purchase of treasury shares			—	(39,057)		(39,057)
Cancellation of treasury shares			—	—		—
Share-based payment transactions			(12)	28		28
Dividends			—	(6,341)	(67)	(6,409)
Equity transactions with non-controlling interests	24	3	28	7	(148)	(140)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings	(2,936)	(2,580)	(5,517)	—		—
Total transactions with owners	(2,911)	(2,576)	(5,500)	(45,361)	(216)	(45,578)
Balance as of March 31, 2026	12,069	—	24,303	165,233	1,946	167,179

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit (loss) before tax	10,218	(18,310)
Depreciation and amortization	12,684	12,339
Impairment losses	—	36,500
Finance income	(849)	(807)
Finance costs	189	750
Share of loss (profit) of investments accounted for using equity method	24	(1,185)
Loss (gain) on sale and retirement of property, plant and equipment, and intangible assets	694	(2,630)
Decrease (increase) in trade and other receivables	7,669	(450)
Decrease (increase) in inventories	4,416	4,212
Increase (decrease) in trade and other payables	(930)	210
Increase (decrease) in provisions	(2,896)	(540)
Increase (decrease) in retirement benefit asset or liability	(520)	(615)
Other	(1,633)	1,835
Subtotal	29,066	31,308
Interest and dividends received	849	1,809
Interest paid	(159)	(539)
Income taxes paid	(231)	(4,568)
Net cash provided by (used in) operating activities	29,525	28,009
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and intangible assets	862	4,191
Purchase of property, plant and equipment, and intangible assets	(43,837)	(23,262)
Proceeds from sale of investment securities	5,082	4,863
Purchase of investment securities	(358)	(159)
Purchase of shares of subsidiaries and associates	(323)	—
Other	(861)	642
Net cash provided by (used in) investing activities	(39,436)	(13,723)
Cash flows from financing activities		
Dividends paid	(4,660)	(6,341)
Dividends paid to non-controlling interests	(46)	(67)
Increase (decrease) in short-term borrowings and commercial papers	4,000	16,499
Proceeds from long-term borrowings	10,000	28,846
Repayments of long-term borrowings	(4,426)	(6,267)
Proceeds from issuance of bonds	19,906	—
Purchase of shares of subsidiaries not resulting in a change in the scope of consolidation	—	(140)
Purchase of treasury shares	(15,002)	(39,073)
Other	(1,333)	(1,414)
Net cash provided by (used in) financing activities	8,437	(7,959)
Effect of exchange rate changes on cash and cash equivalents	(156)	1,898
Net increase (decrease) in cash and cash equivalents	(1,630)	8,226
Cash and cash equivalents at beginning of period	23,131	21,500
Cash and cash equivalents at end of period	21,500	29,726

(5) Notes to Consolidated Financial Statements
 (Notes Regarding Assumption of a Going Concern)
 No applicable matters to report.

(Segment Information)

(1) Overview of Reportable Segments

The Kureha Group defines its reportable segments as components of the organization for which separate financial information is available, and which are regularly reviewed by the Board of Directors for the purpose of allocating management resources and evaluating performance. The Group organizes its operations into business divisions and subsidiaries by product and service category, and formulates and executes comprehensive strategies for both domestic and international markets. These divisions serve as the foundation for identifying reportable segments.

For disclosure purposes, multiple business segments are aggregated based on similarities in products, services, and markets, and are classified into the following five reportable segments: Advanced Materials, Specialty Chemicals, Specialty Plastics, Construction, and Other Operations.

Major products and services for each segment are as follows.

Segment	Major Products and Services
Advanced Materials	Polyphenylene sulfide (PPS), polyvinylidene fluoride (PVDF), processed polyglycolic acid (PGA) products, carbon fiber, bead-shaped activated carbon
Specialty Chemicals	Agricultural and horticultural fungicides, therapeutic agent for chronic kidney disease, caustic soda, hydrochloric acid, sodium hypochlorite, monochlorobenzene, para-dichlorobenzene, ortho-dichlorobenzene
Specialty Plastics	Household plastic wrap, drain bags for kitchen sinks, plastic food containers, cooking sheets, PVDF fishing lines, polyvinylidene chloride (PVDC) film, automatic filling and sealing machines (for food packaging)
Construction	Civil engineering and construction contracting business, construction supervision services
Other Operations	Industrial waste treatment and environmental processing facilities, physicochemical analysis, measurement, testing, and inspection services, transportation and warehousing, medical services

(2) Information on Reportable Segments

The accounting policies for the reportable segments are the same as those applied in the consolidated financial statements. Intersegment revenue is mainly based on market prices.

The Kureha Group's segment information is as follows.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Total	Adjustments (Note)	Consolidated
Revenue								
Revenue from external customers	57,372	30,677	40,528	14,842	18,593	162,015	—	162,015
Intersegment revenue	1,146	239	400	7,530	6,693	16,011	(16,011)	—
Total	58,518	30,917	40,929	22,373	25,286	178,026	(16,011)	162,015
Operating profit (loss)	(1,991)	592	7,097	1,393	2,911	10,002	(574)	9,428
Finance income								986
Finance costs								(196)
Profit (loss) before tax								10,218

(Note) The adjustment to operating profit (loss) includes a loss of 113 million yen from the elimination of intersegment transactions, 1,136 million yen of other revenue not allocated to any reportable segment (including 339 million yen in gain on sale of non-current assets), and 1,597 million yen in other expenses (including 857 million yen in loss on sale and retirement of non-current assets and 176 million yen in restructuring costs).

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Advanced Materials	Specialty Chemicals	Specialty Plastics	Construction	Other Operations	Total	Adjustments (Note)	Consolidated
Revenue								
Revenue from external customers	61,279	29,487	36,724	16,013	18,183	161,688	—	161,688
Intersegment revenue	669	239	288	6,929	6,705	14,832	(14,832)	—
Total	61,948	29,727	37,013	22,942	24,888	176,521	(14,832)	161,688
Operating profit (loss)	2,134	1,350	6,913	1,533	2,592	14,524	(33,117)	(18,592)
Finance income								1,038
Finance costs								(757)
Profit (loss) before tax								(18,310)

(Note) The adjustment to operating profit (loss) includes a loss of 54 million yen resulting from the elimination of intersegment transactions, other revenue of 4,201 million yen not allocated to any reportable segment (mainly including 3,064 million yen in gain on sale of non-current assets), and other expenses of 37,265 million yen (including 36,500 million yen in impairment losses).

(Consolidated Statement of Income)

(1) Other Revenue

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Gain on sale of non-current assets	339	3,064
Gain on subsidy revenue	114	208
Gain on reversal of restructuring provisions (Note 1)	—	188
Reversal of provision for compensation losses (Note 2)	329	49
Other	353	690
Total	1,136	4,201

(Notes) 1. This provision was recognized to cover losses associated with the withdrawal from the multilayer heat-shrinkable film business of a consolidated subsidiary in Europe, and a portion has been reversed.

2. This provision was recognized by a consolidated subsidiary in China in the previous fiscal year in anticipation of compensation claims related to the cancellation of plans to expand polyvinylidene fluoride (PVDF) production facilities, and a portion has been reversed in the current fiscal year.

(2) Other Expenses

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Impairment losses	—	36,500
Loss on sale and retirement of non-current assets	857	433
Restructuring costs (Note)	176	—
Other	563	331
Total	1,597	37,265

(Note) Restructuring costs mainly comprise expenses associated with the termination of employment contracts of employees at consolidated subsidiaries due to the withdrawal from the multilayer heat-shrinkable film business in Europe.

(3) Impairment of Non-financial Assets

1) Impairment Losses and Gain on Reversal of Impairment Losses

If the book value of its assets or cash-generating units exceeds the recoverable amount, the Kureha Group recognizes impairment losses.

In principle, it groups operating assets by company and segment, and assets for lease and idle assets by individual property.

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less costs of disposal. Value in use is the present value of future cash flows calculated by using the weighted average cost of capital of a cash-generating unit. Fair value less costs of disposal is evaluated either by the estimated disposal amount or the amount reasonably calculated real estate appraisal values and other benchmarks.

Further, regarding assets for which impairment losses were recognized in prior fiscal years, the Company recognizes a gain on reversal of impairment losses when the estimated recoverable amount has changed.

No impairment losses or gains on reversal of impairment losses were recognized in the previous fiscal year. In the current fiscal year, impairment losses of 36,500 million yen were recognized on property, plant and equipment and intangible assets.

2) Recognized Impairment Losses and Gain on Reversal of Impairment Losses, and Main Events or Circumstances that Led to such Recognition

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
No impairment losses or reversals were recognized.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
(Impairment Losses)

For the polyvinylidene fluoride (PVDF) resin business in the Advanced Materials segment, the Group assessed the recoverability of non-current assets of 85,704 million yen associated with the business, after revising its future earnings projections, as the EV (electric vehicle) market remained sluggish and demand for binders for automotive lithium-ion secondary batteries, the primary application of polyvinylidene fluoride (PVDF) resin, is expected to take longer than anticipated to recover.

As a result of comparing the recoverable amount and the carrying amount of the cash-generating unit, the Group reduced the carrying amount of the non-current assets related to the business to the recoverable amount, and the decrease (33,996 million yen) is included in other expenses.

(Millions of yen)				
Segments	Purpose of Use	Location	Type of Assets	Amount
Advanced Materials	Manufacturing facility	Iwaki City, Fukushima Prefecture	Buildings and structures	1,216
			Machinery and equipment	3,055
			Construction in progress	27,000
			Subtotal	31,272
		Changshu City, Jiangsu Province, China	Buildings and structures	1,266
			Machinery and equipment	1,457
			Subtotal	2,724
			Total	

For the manufacturing facilities for chronic kidney disease drugs in the Specialty Chemicals segment, as profitability declined, the recoverability of the facilities was assessed, and as a result, the entire carrying amount was written down, and the decrease (2,504 million yen) is included in other expenses.

(Millions of yen)

Segments	Purpose of Use	Location	Type of Assets	Amount
Specialty Chemicals	Manufacturing facility	Iwaki City, Fukushima Prefecture	Buildings and structures	1,326
			Machinery and equipment	1,086
			Other	91
			Total	2,504

(Gain on Reversal of Impairment Losses)

No impairment losses or reversals were recognized.

(Equity and Other Components of Equity)

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Purchase of Treasury Stock)

The Company repurchased its own shares in accordance with a resolution of the Board of Directors meeting held on May 13, 2024. As a result, treasury stock increased by 5,333,700 shares during the current fiscal year.

(Retirement of Treasury Stock)

The Company retired treasury stock in accordance with the resolution of the Board of Directors meeting held on May 13, 2024. As a result, treasury stock decreased by 3,143,000 shares in the current fiscal year.

(Disposal of Treasury Stock)

On May 24, 2024, and July 25, 2024, the Company disposed of 10,826 shares of treasury stock under its restricted stock compensation plan. In addition, 33,600 shares of treasury stock were disposed of upon the exercise of stock options. As a result, treasury stock decreased by 44,426 shares in the current fiscal year.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Purchase of Treasury Stock)

The Company repurchased 1,535,700 shares of treasury stock in accordance with a resolution of the Board of Directors meeting held on May 12, 2025, but resolved to discontinue the repurchase of treasury stock based on a resolution of the Board of Directors meeting held on June 3, 2025. On the same day, the Company resolved to acquire treasury stock and acquired 10,000,000 shares on June 4, 2025. As a result, treasury stock increased by 11,535,700 shares in the current fiscal year.

(Retirement of Treasury Stock)

The Company retired treasury stock in accordance with a resolution of the Board of Directors meeting held on May 12, 2025. As a result, treasury stock decreased by 5,491,000 shares in the current fiscal year.

(Disposal of Treasury Stock)

On May 23, 2025, and July 25, 2025, the Company disposed of 8,764 shares of treasury stock under its restricted stock compensation plan. In addition, 5,670 shares of treasury stock were disposed of upon the exercise of stock options. As a result, treasury stock decreased by 14,434 shares in the current fiscal year.

(Per-share Data)

(1) Basis of Calculation of Basic Earnings Per Share

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit attributable to ordinary shareholders of parent		
Profit (loss) attributable to owners of parent	7,800	(10,693)
Profit not attributable to ordinary shareholders of parent	—	—
Profit (loss) used to calculate basic earnings per share	7,800	(10,693)
Average number of common shares outstanding during the period (shares)	52,117,292	40,028,492
Basic earnings (loss) per share	149.67 yen	(267.14 yen)

(2) Basis of Calculation of Diluted Earnings Per Share

	(Millions of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Diluted profit attributable to ordinary shareholders of parent		
Profit (loss) used to calculate basic earnings per share	7,800	(10,693)
Profit adjustments	—	—
Profit (loss) used to calculate diluted earnings per share	7,800	(10,693)
Average number of common shares outstanding during the period (shares)	52,117,292	40,028,492
Impact of dilutive effect (shares)	67,741	—
After adjustment for dilutive effect (shares)	52,185,033	40,028,492
Diluted earnings (loss) per share	149.48 yen	(267.14 yen)

In the fiscal year ended March 31, 2026, there were 60,036 dilutive potential common shares; however, as they have an antidilutive effect, they are excluded from the calculation of diluted loss per share.

(Important Subsequent Events)

(Retirement of treasury stock)

At the meeting of the Board of Directors held on May 12, 2026, the Company resolved to cancel a portion of its treasury stock pursuant to Article 178 of the Companies Act.

1. Class of shares to be canceled: Common stock of the Company
2. Total number of shares to be canceled: 9,700,000 shares
3. Total shares outstanding after cancellation: 40,242,221 shares
4. Scheduled cancellation date: June 30, 2026

(Reference)

1. Policy on treasury stock holdings

At the meeting of the Board of Directors held on May 12, 2026, the Company resolved a policy on treasury stock holdings.

The Company sets an upper limit on the total number of treasury stock it holds at approximately 5% of the total number of issued shares, and will, in principle, cancel any treasury stock exceeding this limit.
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2. Treasury stock held as of March 31, 2026

Total shares outstanding (excluding treasury stock): 38,218,898 shares

Number of treasury shares: 11,723,323 shares