Consolidated Financial Results
for the Nine Months
Ended September 30, 2026(Unaudited)

November 11, 2026
KURARAY CO., LTD.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 11, 2026

Consolidated Financial Results for the Nine Months Ended September 30, 2026 (Under Japanese GAAP)

Company name:	KURARAY CO., LTD.
Listing:	Tokyo Stock Exchange
Stock code:	3405
URL:	https://www.kuraray.com
Representative:	Hitoshi Kawahara, Representative Director and President
Inquiries:	Shinichi Takizawa, Senior Manager, Corporate Communications Department, Corporate Management Planning Office
Telephone:	+81-3-6701-1070
Scheduled date to commence dividend payments:	—
Preparation of supplementary material on financial results:	Yes
Holding of financial results briefing:	Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	643,351	8.4	69,733	50.4	65,341	63.0	40,624	78.3
September 30, 2025	593,424	(3.5)	46,358	(37.3)	40,089	(43.0)	22,784	(51.1)

Note: Comprehensive income For the nine months ended September 30, 2026: ¥ 39,473 million [333.6 %]
For the nine months ended September 30, 2025: ¥ 9,103 million [(82.4) %]

	Net Income per Share	Fully Diluted Net Income per Share
Nine months ended	Yen	Yen
September 30, 2026	134.35	134.28
September 30, 2025	71.35	71.31

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	1,330,382	766,263	56.6
December 31, 2025	1,303,511	755,175	57.0

Reference: Equity attributable to owners of the parent
As of September 30, 2026: ¥ 752,890 million
As of December 31, 2025: ¥ 742,620 million

2. Cash dividends

	Annual Dividends per Share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	—	27.00	—	27.00	54.00
Fiscal year ending December 31, 2026	—	32.00	—		
Fiscal year ending December 31, 2026 (Forecast)				32.00	64.00

Note: Revisions to the forecast of cash dividends most recently announced: None

FY2026 annual dividends per share (forecast): ¥54.00 normal dividend and ¥10.00 commemorative dividend

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Fiscal Year	880,000	8.9	70,000	18.9	64,000	24.2	40,000	435.6	132.76

Note: Revisions to forecasts of consolidated financial results during this period: None

[Notes]

(1) Significant changes in the scope of consolidation during the period: Yes
Excluded: 3 companies (Kuraray Methacrylate (Zhang Jia Gang) Co., Ltd.; WATERLINK (UK) HOLDINGS LIMITED; and one other)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2026	302,133,603 shares
As of December 31, 2025	307,963,603 shares

(ii) Number of treasury stock at the end of the period

As of September 30, 2026	837,105 shares
As of December 31, 2025	924,408 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2026	302,369,045 shares
As of September 30, 2025	319,316,894 shares

Note: Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:
None

Cautionary Statement with Respect to Forecasts of Consolidated Business Results (Cautionary note regarding forward-looking statements)
The results forecasts presented in this document are based upon currently available information and assumptions deemed rational. A variety of factors could cause actual results to differ materially from forecasts. Please refer to “1. Qualitative Information regarding Business Results (3) Basis for Forecasts, Including Consolidated Financial Results Forecasts” on page 8 of the Attachment for the assumptions used.

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1. Qualitative Information regarding Business Results

(1) Overview of Consolidated Business Results

In the cumulative third quarter of fiscal 2026 (January 1, 2026–September 30, 2026), the world economy held firm due mainly to AI-related investment, but the outlook remained uncertain as resource and energy prices rose and supply chains were disrupted against the backdrop of geopolitical tensions. Although the Japanese economy continued to gradually recover on the back of improving capital investment, employment, and incomes, concerns persisted about stagnant demand due to rising prices. The US economy remained firm, underpinned by AI-related investment and steady domestic demand, but the pace of growth was gradual due in part to uncertainty surrounding inflation and government policy trends. In Europe, economic growth remained sluggish amid rising energy prices despite national defense-related investment underpinning the economy. Meanwhile, in China, economic growth remained low as domestic demand was underwhelming and the real estate market continued to stall.

Amid these circumstances, consolidated operating results for the cumulative third quarter of fiscal 2026 are as follows: net sales increased ¥49,927 million (8.4%) year on year to ¥643,351 million; operating income increased ¥23,375 million (50.4%) year on year to ¥69,733 million; ordinary income increased ¥25,252 million (63.0%) year on year to ¥65,341 million; and net income attributable to owners of the parent increased ¥17,840 million (78.3%) year on year to ¥40,624 million.

We undertook an organizational reform on January 1, 2026, changing the segment category of the businesses in the Electronics Materials Promotion Division from “Others” to “Functional Materials.” The cumulative third quarter results comparison and analysis are based on figures reflecting this change.

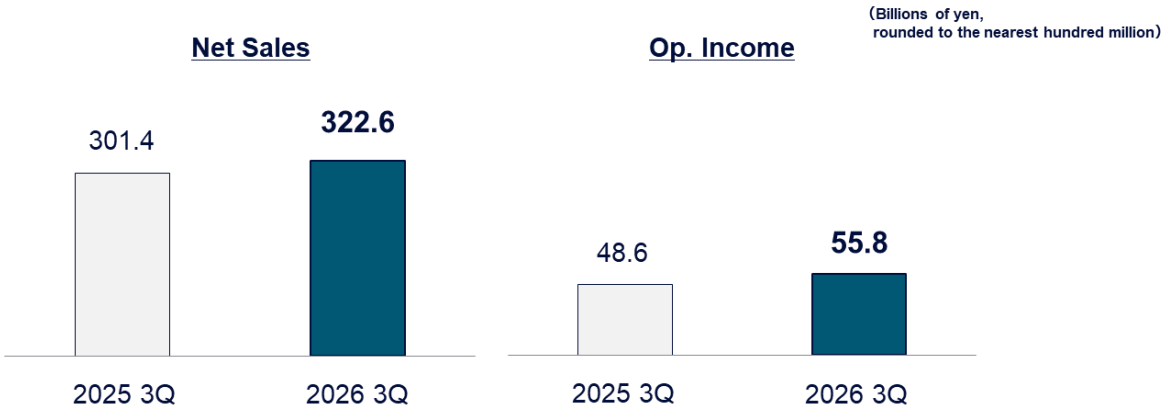
(Millions of yen)

	FY2025 3Q Consolidated Period		FY2026 3Q Consolidated Period		Change	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Vinyl Acetate	301,394	48,560	322,639	55,838	21,244	7,277
Isoprene	58,501	(2,178)	68,745	3,387	10,243	5,566
Functional Materials	149,140	4,739	168,121	10,660	18,980	5,920
Fibers and Textiles	43,731	1,295	46,647	8,548	2,916	7,253
Trading	49,051	4,225	55,054	5,423	6,003	1,198
Others	31,256	3,045	26,225	1,615	(5,031)	(1,430)
Elimination & Corporate	(39,651)	(13,330)	(44,082)	(15,739)	(4,430)	(2,409)
Total	593,424	46,358	643,351	69,733	49,927	23,375

Results by Business Segment

Vinyl Acetate

Net sales in this segment were ¥322,639 million (up 7.0% year on year), and operating income was ¥55,838 million (up 15.0%). Operating income increased due to price revisions implemented in response to rising raw material and fuel prices and the positive impact of inventory valuation differences.



PVOH resin: Having captured demand by leveraging our global supply system amid disruptions in the Middle East, sales volume increased, but the utilization rate fell due to a decline in the sales volume of some products in the downstream business.

Optical-use poval film: Sales volume increased as a result of an accumulation of inventories across the supply chain due to concerns around component procurement against the backdrop of a semiconductor memory shortage and the Middle East situation in addition to demand for new televisions ahead of international sporting events.

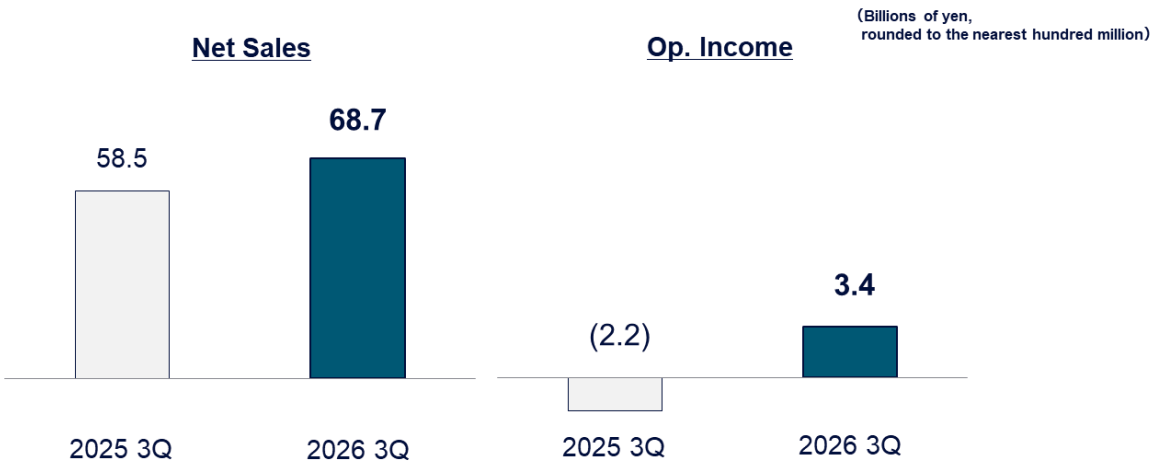
Advanced Interlayer Solutions: The competitive environment for PVB film remained intense, particularly in Europe and Asia. As a result, sales volume decreased for both construction and automotive applications. Sales of SentryGlas™ specialty ionoplast interlayers also declined due in part to the effects of project delays as customers responded to deteriorating conditions in the Middle East.

Water-soluble PVOH film: Sales volume decreased due to weak demand for soluble unit-dose detergent.

EVAL™ EVOH resin: Sales volume increased overall as sales for food packaging remained favorable despite a decrease in the sales volume for automotive applications.

Isoprene

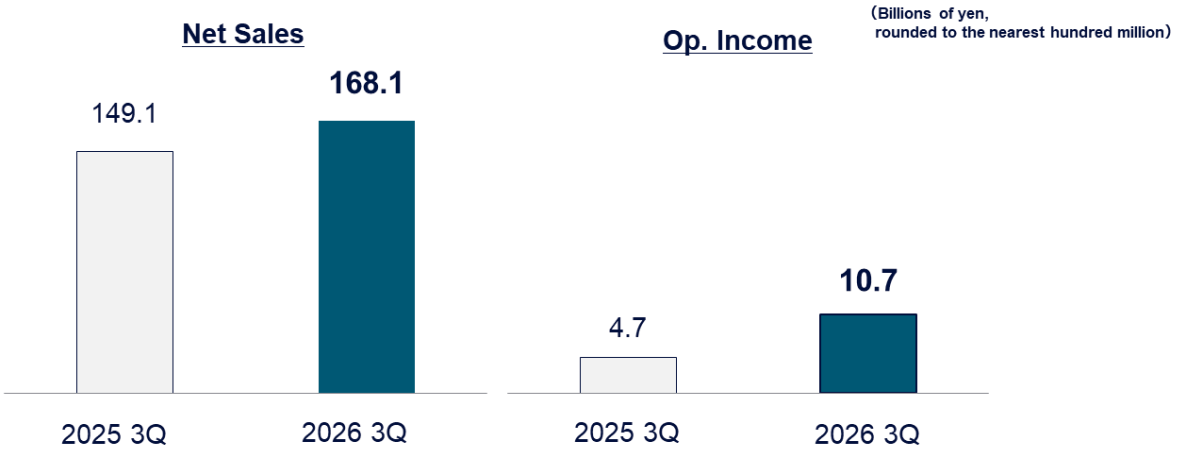
Net sales in this segment were ¥68,745 million (up 17.5% year on year), and operating income was ¥3,387 million (compared with operating loss of ¥2,178 million in the same period of the previous year) due in part to a decrease in depreciation and amortization expenses attributable to impairment losses recorded in the previous year and the positive impact of inventory valuation differences.



Isoprene chemicals and elastomer: As a result of stagnant demand for construction applications in China, sales volume of isoprene chemicals decreased. Particularly in the United States market, sales volumes of elastomers increased. As for profitability, there were positive effects from price revisions, a decline in depreciation and amortization expenses, and other factors.

GENESTAR™ heat-resistant polyamide resin: Sales volume increased due to sales expansion in both electric and electronic applications and automotive applications.

Functional Materials
Net sales in this segment were ¥168,121 million (up 12.7% year on year), and operating income was ¥10,660 million (up 124.9%) due to solid sales.

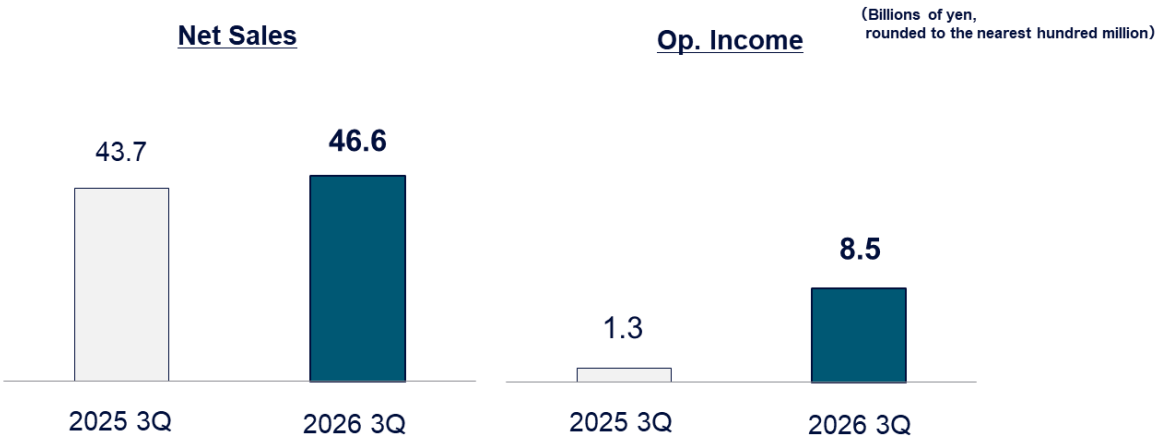


Methacrylate: Although sales volume fell due to the optimization of production capacity, there were positive effects on profit, mainly due to an improved sales composition and price revisions.

Medical: Sales of cosmetic dental materials, mainly in Europe and the United States, remained firm. In addition, to meet growing demand, we began operations of expanded facilities at the Miyoshi Plant in the second quarter.

Environmental Solutions: Demand for activated carbon remained stable, and sales volume increased. In addition, price revisions were implemented. To prepare for future growth in demand for reactivated carbon, we decided to expand production facilities for reactivated carbon in the United States (announced on February 27, 2026 and slated to begin operating in the first quarter of 2028).

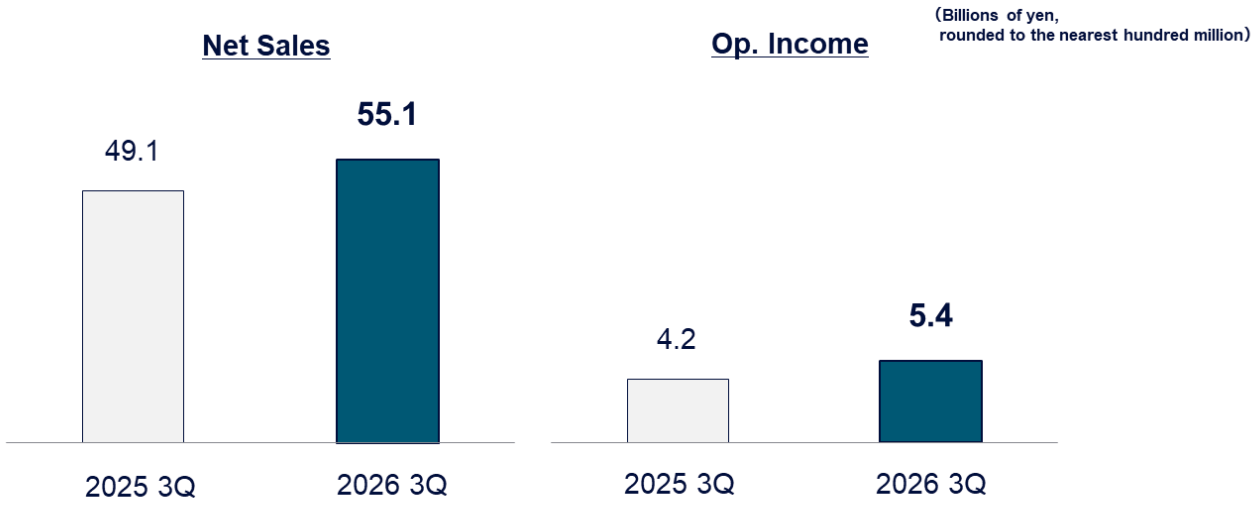
Fibers and Textiles
Net sales in this segment were ¥46,647 million (up 6.7% year on year), and operating income was ¥8,548 million (up 559.8%) due in part to the positive impact of inventory valuation differences.



CLARINO™ man-made leather: Sales volume increased amid a recovery in demand, including for footwear applications.

Fibers and industrial materials: Sales volume of KURALON™ PVA fiber remained sluggish due to weak demand for construction material applications. Strong sales of VECTRAN™ liquid crystal polymer fiber contributed to profitability in addition to the positive impact of inventory valuation differences and a price revision for KURALON™.

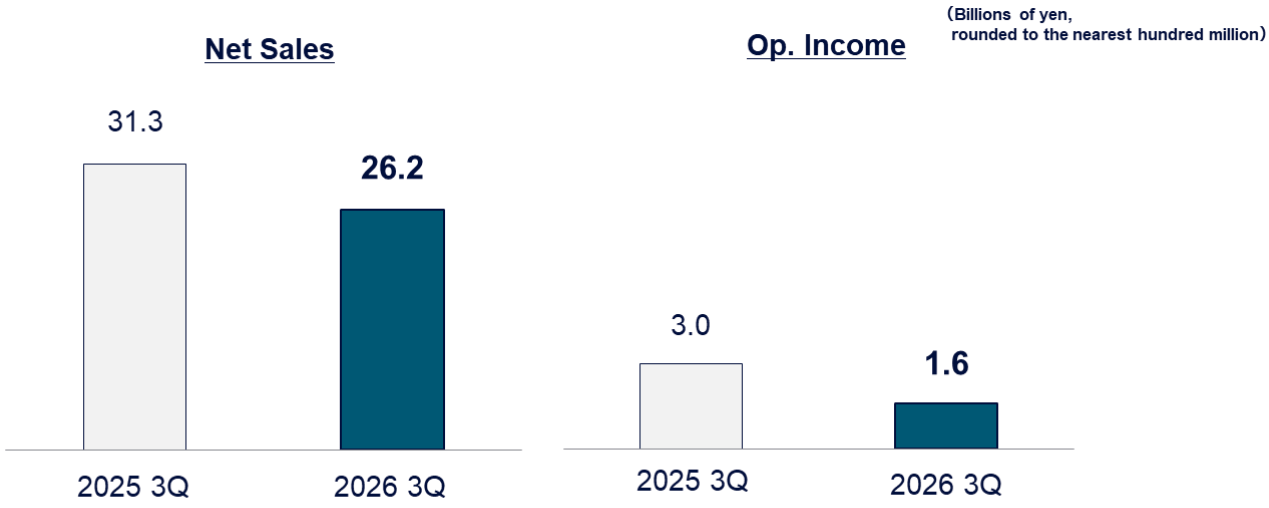
Trading
Net sales in this segment were ¥55,054 million (up 12.2% year on year), and operating income was ¥5,423 million (up 28.4%).



Fiber-related businesses: Sales for sportswear and outdoor wear applications remained favorable.

Resins and chemicals: Sales expanded in Asian markets, especially in China.

Others
Net sales in this segment were ¥26,225 million (down 16.1% year on year), and operating income was ¥1,615 million (down 47.0%).



(2) Overview of Financial Position

Total assets increased ¥26,871 million from the end of the previous fiscal year to ¥1,330,382 million due to factors that include a ¥33,560 million increase in inventories and a ¥20,560 million increase in property, plant and equipment despite a ¥14,711 million decrease in notes and accounts receivable–trade, and contract assets and a ¥8,290 million decrease in cash and deposits. Liabilities increased ¥15,783 million from the end of the previous fiscal year to ¥564,119 million, primarily due to an increase of ¥7,613 million in income taxes payable.

Net assets increased ¥11,087 million to ¥766,263 million due in part to a ¥22,693 million increase in retained earnings despite a ¥10,042 million decrease in capital surplus. Equity attributable to owners of the parent amounted to ¥752,890 million, for an equity ratio of 56.6%.

(3) Basis for Forecasts, Including Consolidated Financial Results Forecasts

Although profit for the cumulative third quarter reached a level consistent with the full-year earnings forecast, profit in the fourth quarter is expected to decline significantly from the third quarter due to the negative impact of inventory valuation differences and regular maintenance at the Okayama Plant. Accordingly, we have not revised the consolidated earnings forecast for fiscal 2026 (January 1, 2026 to December 31, 2026), which was announced on August 7, 2026.

The forecast is based on the following assumptions: ¥158/USD, ¥182/EUR, domestic naphtha at ¥93,000/kl, US natural gas at $3.1/MMBtu, and European natural gas at €62/MWh.

Note: The above forecasts are based on the best information currently available. Actual financial results may vary due to various factors.

2. Quarterly Consolidated Financial Statements and Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	104,102	95,812
Notes and accounts receivable - trade, and contract assets	178,330	163,618
Securities	4,215	1,901
Merchandise and finished goods	178,020	198,843
Work in process	20,230	24,483
Raw materials and supplies	70,184	78,670
Other	24,209	28,080
Allowance for doubtful accounts	(889)	(602)
Total current assets	578,403	590,806
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	116,992	116,923
Machinery, equipment and vehicles, net	262,474	252,562
Land	18,154	18,259
Construction in progress	96,662	129,777
Other, net	54,828	52,149
Total property, plant and equipment	549,112	569,672
Intangible assets		
Goodwill	52,212	48,009
Customer-related assets	23,868	21,266
Other	34,549	34,528
Total intangible assets	110,630	103,805
Investments and other assets		
Investment securities	23,523	24,271
Retirement benefit asset	5,942	5,365
Deferred tax assets	20,291	19,626
Other	15,920	17,050
Allowance for doubtful accounts	(311)	(216)
Total investments and other assets	65,366	66,098
Total non-current assets	725,108	739,576
Total assets	1,303,511	1,330,382

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,490	53,871
Short-term borrowings	45,120	35,060
Commercial papers	11,000	-
Current portion of bonds payable	-	10,000
Current portion of long-term borrowings	32,612	17,183
Accrued expenses	23,557	24,027
Income taxes payable	3,410	11,023
Provision for bonuses	9,495	13,168
Other	44,543	51,329
Total current liabilities	228,229	215,663
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	146,187	176,743
Deferred tax liabilities	23,243	23,587
Retirement benefit liability	32,146	32,755
Other	68,529	65,369
Total non-current liabilities	320,106	348,455
Total liabilities	548,335	564,119
Net assets		
Shareholders' equity		
Share capital	88,955	88,955
Capital surplus	55,949	45,907
Retained earnings	386,853	409,546
Treasury stock	(1,623)	(1,440)
Total shareholders' equity	530,135	542,968
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,458	6,927
Deferred gains or losses on hedges	(78)	(151)
Foreign currency translation adjustment	203,014	201,282
Remeasurements of defined benefit plans	3,091	1,864
Total accumulated other comprehensive income	212,485	209,922
Share acquisition rights	229	229
Non-controlling interests	12,325	13,142
Total net assets	755,175	766,263
Total liabilities and net assets	1,303,511	1,330,382

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Nine-Month Period

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net sales	593,424	643,351
Cost of sales	408,970	422,324
Gross profit	184,454	221,027
Selling, general and administrative expenses		
Selling expenses	35,549	39,163
General and administrative expenses	102,547	112,130
Total selling, general and administrative expenses	138,096	151,293
Operating income	46,358	69,733
Non-operating income		
Interest income	1,658	1,745
Dividend income	525	790
Share of profit of entities accounted for using equity method	252	250
Other	835	2,211
Total non-operating income	3,272	4,997
Non-operating expenses		
Interest expenses	2,025	2,987
Other	7,516	6,401
Total non-operating expenses	9,541	9,389
Ordinary income	40,089	65,341
Extraordinary income		
Gain on revision of retirement benefit plan	-	1,769
Gain on sale of investment securities	3,007	1,208
Insurance claim income	690	-
Total extraordinary income	3,698	2,977
Extraordinary losses		
Loss on disaster	-	3,006
Costs related to the suspension of operations	3,905	1,249
Loss on disposal of tangible non-current assets	1,036	1,055
Loss on sale of tangible non-current assets	1,022	-
Loss on liquidation of business	890	-
Total extraordinary losses	6,854	5,312
Income before income taxes and non-controlling interests	36,932	63,006
Income taxes - current	12,348	19,615
Income taxes - deferred	1,975	1,369
Total income taxes	14,323	20,985
Net income	22,608	42,021
Net income (loss) attributable to non-controlling interests	(175)	1,396
Net income attributable to owners of the parent	22,784	40,624

Quarterly Consolidated Statement of Comprehensive Income
For the Nine-Month Period

(Millions of yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net income	22,608	42,021
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,059)	468
Deferred gains or losses on hedges	(316)	(58)
Foreign currency translation adjustment	(12,400)	(1,941)
Remeasurements of defined benefit plans, net of tax	416	(1,226)
Share of other comprehensive income of entities accounted for using equity method	(144)	209
Total other comprehensive income	(13,505)	(2,548)
Comprehensive income	9,103	39,473
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,456	38,061
Comprehensive income attributable to non-controlling interests	(352)	1,411

(3) Notes regarding Quarterly Consolidated Financial Statements

Notes regarding Going Concern Assumptions
None

Notes regarding Material Changes in Shareholders' Equity
At the Board of Directors meeting held on February 10, 2026, the Company resolved to conduct a share buyback and, accordingly, acquired 5,829 thousand shares of treasury stock totaling ¥9,999 million by March 23, 2026.

At the Board of Directors meeting held on May 13, 2026, the Company resolved to cancel treasury stock and, accordingly, canceled 5,830 thousand shares of treasury stock totaling ¥10,033 million on May 29, 2026.

As a result of the above transactions and other factors, capital surplus decreased by ¥10,042 million while treasury stock decreased by ¥182 million during the cumulative third quarter of fiscal 2026. Thus, capital surplus totaled ¥45,907 million and treasury stock stood at ¥1,440 million as of September 30, 2026.

Notes regarding Cash Flow Statements
The Company has not prepared quarterly consolidated cash flow statements for the cumulative third quarter. Depreciation and amortization (including the amortization of intangible fixed assets other than goodwill) as well as the amortization of goodwill for the cumulative third quarter of fiscal 2026 are as follows.

	Fiscal 2025 3Q (January 1, 2025 – September 30, 2025)	Fiscal 2026 3Q (January 1, 2026 – September 30, 2026)
Depreciation and amortization	¥58,669 million	¥58,590 million
Amortization of goodwill	¥3,869 million	¥4,313 million

Notes regarding Segment Information, etc.

● Segment Information

I. Cumulative Third Quarter of Fiscal 2025 (January 1, 2025 to September 30, 2025)

1. Net sales, income and loss by reporting segment

(Millions of yen)

	Reporting Segment						Others[1]	Total	Adjustment[2]	Consolidated Statements of Income[3]
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales										
Outside customers	287,736	44,837	145,720	40,614	48,092	567,001	26,423	593,424	—	593,424
Intersegment sales and transfers	13,658	13,664	3,420	3,116	958	34,818	4,832	39,651	(39,651)	—
Total	301,394	58,501	149,140	43,731	49,051	601,819	31,256	633,076	(39,651)	593,424
Segment income (loss)	48,560	(2,178)	4,739	1,295	4,225	56,643	3,045	59,688	(13,330)	46,358

Notes:

1. The “Others” category incorporates operations not included in the reporting segments, including engineering-related business.
2. The adjustment of ¥(13,330) million to segment income (loss) includes the elimination of intersegment transactions of ¥1,694 million and unallocated corporate expenses of ¥(15,024) million. Corporate expenses mainly comprise the Company’s basic research expenses.
3. Segment income (loss) is reconciled to operating income in the quarterly consolidated statement of income.

II. Cumulative Third Quarter of Fiscal 2026 (January 1, 2026 to September 30, 2026)

1. Net sales, income and loss by reporting segment

(Millions of yen)

	Reporting Segment						Others[1]	Total	Adjustment[2]	Consolidated Statements of Income[3]
	Vinyl Acetate	Isoprene	Functional Materials	Fibers and Textiles	Trading	Total				
Net sales										
Outside customers	306,660	56,973	165,123	42,608	54,031	625,397	17,954	643,351	—	643,351
Intersegment sales and transfers	15,978	11,771	2,998	4,038	1,022	35,810	8,271	44,082	(44,082)	—
Total	322,639	68,745	168,121	46,647	55,054	661,208	26,225	687,433	(44,082)	643,351
Segment income	55,838	3,387	10,660	8,548	5,423	83,858	1,615	85,473	(15,739)	69,733

Notes:

1. The “Others” category incorporates operations not included in the reporting segments, including engineering-related business.
2. The adjustment of ¥(15,739) million to segment income includes the elimination of intersegment transactions of ¥274 million and unallocated corporate expenses of ¥(16,014) million. Corporate expenses mainly comprise the Company’s basic research expenses.
3. Segment income is reconciled to operating income in the quarterly consolidated statement of income.

2. Notes regarding Changes in Reporting Segments

(Changes in Reporting Segments)

In line with an organizational reform, from the first quarter period of fiscal 2026, the segment category of the businesses in the Electronics Materials Promotion Division was changed from “Others” to “Functional Materials.” For the purposes of comparison, segment information for the cumulative third quarter of fiscal 2025 has been retroactively adjusted based on this recategorization.