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FY2026 3Q Earnings Presentation

KURARAY CO., LTD.

November 11, 2026

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Key Points of FY2026 3Q Financial Results

① 1-3Q results achieved year-on-year growth in both net sales and profits.

- Promoted price revisions in response to rising raw material and fuel prices
- Inventory valuation differences of approximately +¥16.0 billion had a positive impact in 3Q, reflecting sales of relatively low-cost inventory produced in 1H.
- 3Q operating income was ¥40.9 billion, bringing 1-3Q operating income to ¥69.7 billion.

② Profit in 4Q is expected to decrease significantly from 3Q due to the negative impact of inventory valuation differences, regular maintenance, and other factors.

- A negative impact of approximately (¥8.0) billion from inventory valuation differences is expected in 4Q, mainly reflecting lower utilization rates and other factors in 3Q.
- Profit is expected to decrease due to higher repair costs and lower utilization rates associated with regular maintenance at certain plants.
- A decrease in sales volume is expected due to an adjustment phase in optical-use poval film and seasonal factors in certain businesses.

③ The full-year earnings forecast announced in August 2026 has not been revised.

- Although there will be a gap between 3Q and 4Q profits due to inventory valuation differences, regular maintenance, and other factors, 2H performance is expected to progress in line with the plan.

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FY2026 1-3Q Results

(Billion yen)

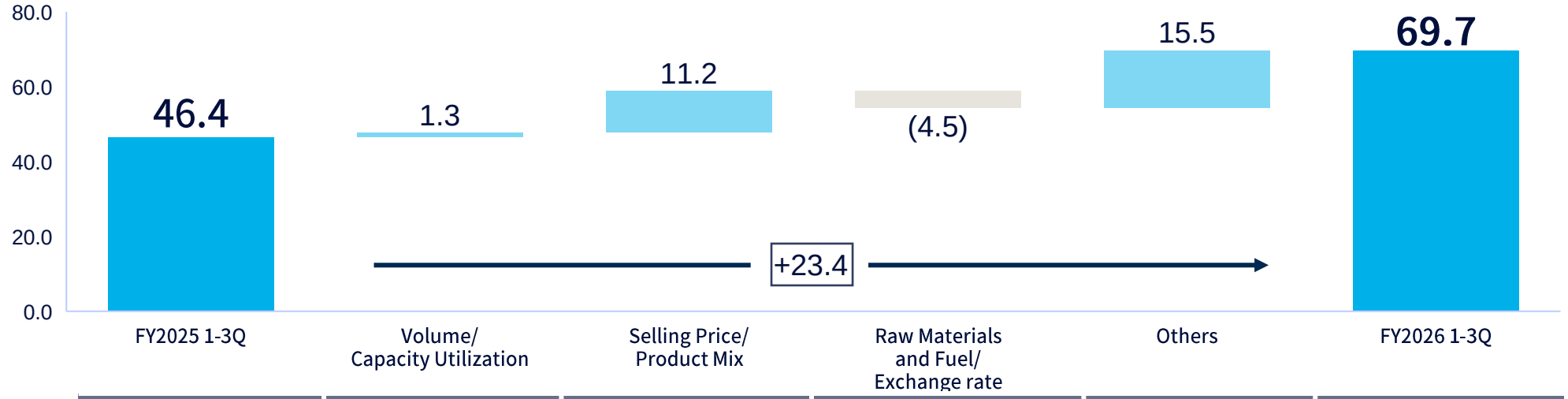
	FY2026 1-3Q	FY2025 1-3Q	Difference
Net Sales	**643.4**	593.4	49.9
Operating Income	**69.7**	46.4	23.4
Ordinary Income	**65.3**	40.1	25.3
Net Income Attributable to Owners of the Parent	**40.6**	22.8	17.8
Reference			
JPY/USD (average)	159	148	
JPY/EUR (average)	184	166	
Domestic naphtha JPY 1,000/kl	91	69	
US natural gas USD/MMBtu	3.1	3.4	
Europe natural gas EUR/MWh	51	39	

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FY2026 1-3Q Factors Affecting the Change in Operating Income

- Promoted price revisions in response to rising raw material and fuel prices
- Inventory valuation differences contributed positively.

(Billion yen)



	FY2025 1-3Q	Volume/ Capacity Utilization	Selling Price/ Product Mix	Raw Materials and Fuel/ Exchange rate	Others	FY2026 1-3Q
Vinyl Acetate	48.6	(0.3)	2.3	(2.2)	7.4	55.8
Isoprene	(2.2)	0.4	1.4	(1.7)	5.4	3.4
Functional Materials	4.7	2.0	5.0	(0.2)	(0.9)	10.7
Fibers & Textiles	1.3	(0.5)	2.4	(0.5)	5.9	8.5
Trading/ Others/ Elimination & Corporate	(6.1)	(0.2)	0.0	0.0	(2.4)	(8.7)
Total	46.4	1.3	11.2	(4.5)	15.5	69.7

*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

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Net Sales and Operating Income by Segment

(Billion yen)

	FY2026 1-3Q		FY2025 1-3Q		Difference	
	Net Sales	**Operating Income**	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	322.6	55.8	301.4	48.6	21.2	7.3
Isoprene	68.7	3.4	58.5	(2.2)	10.2	5.6
Functional Materials	168.1	10.7	149.1	4.7	19.0	5.9
Fibers & Textiles	46.6	8.5	43.7	1.3	2.9	7.3
Trading	55.1	5.4	49.1	4.2	6.0	1.2
Others	26.2	1.6	31.3	3.0	(5.0)	(1.4)
Elimination & Corporate	(44.1)	(15.7)	(39.7)	(13.3)	(4.4)	(2.4)
Total	643.4	69.7	593.4	46.4	49.9	23.4

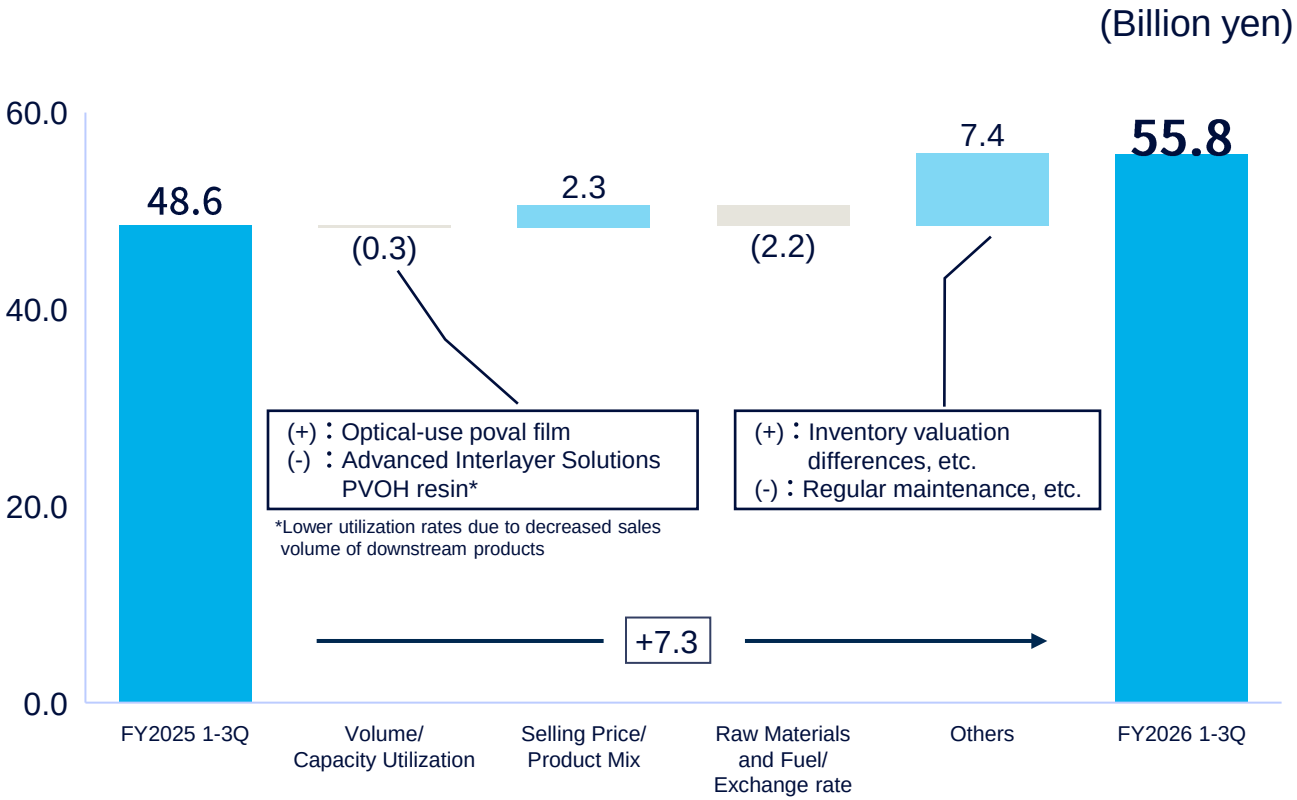
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Vinyl Acetate

- Sales of optical-use poval film were strong, while challenging business conditions continued for the advanced interlayer solutions business.
- Promoted price revisions in response to rising raw material and fuel prices

【Factors Affecting the Change in Operating Income 】



【Business Conditions】

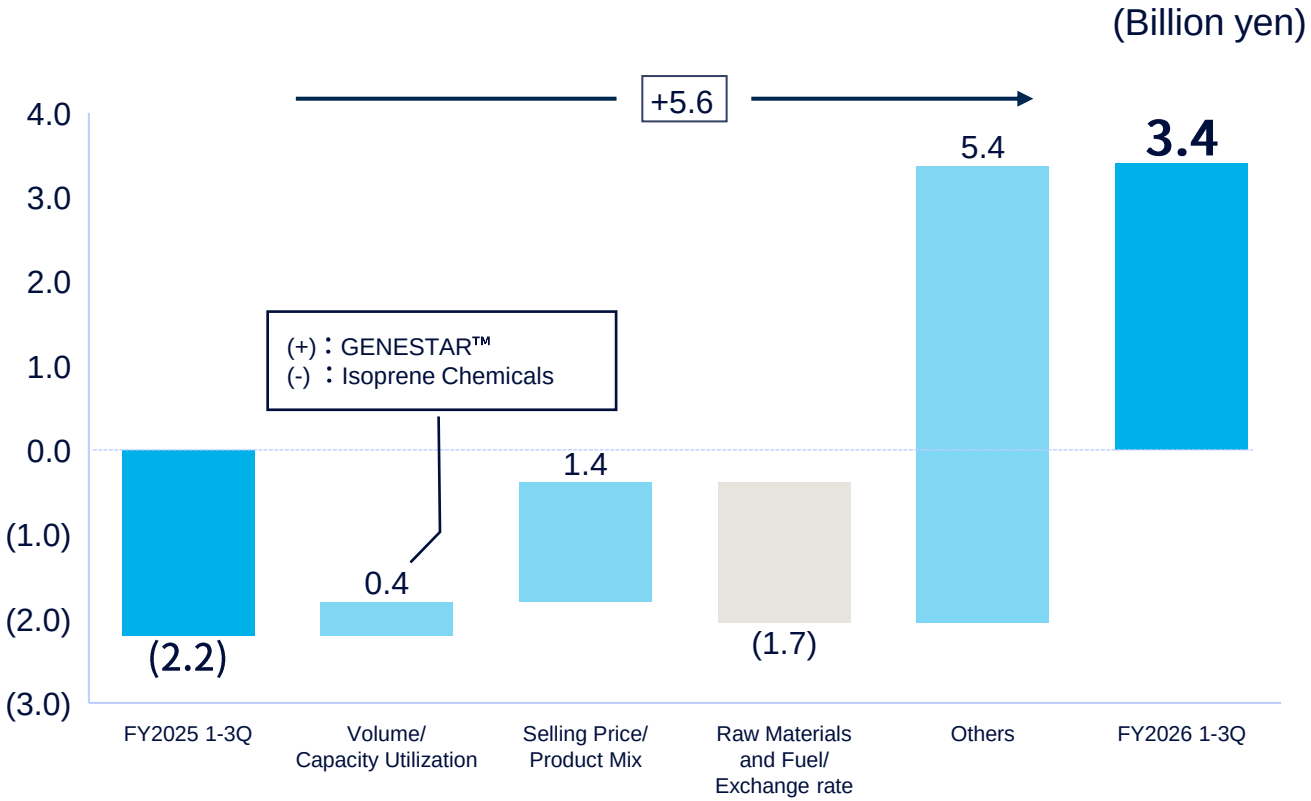
PVOH resin	Having captured demand by leveraging our global supply system amid disruptions in the Middle East, sales volume increased, but the utilization rate fell due to a decline in the sales volume of some products in the downstream business.
Optical-use poval film	Sales volume increased as a result 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™ 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 MonoSol	Sales volume decreased due to weak demand for soluble unit-dose detergent.
EVAL™	Sales volume increased overall as sales for food packaging remained favorable despite a decrease in the sales volume for automotive applications.

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Isoprene

- Promoted price revisions in response to rising raw material and fuel prices
- In addition to the positive impact of inventory valuation differences, depreciation and amortization expenses decreased due to impairment losses recorded in the previous year.

【Factors Affecting the Change in Operating Income 】



【Business Conditions】

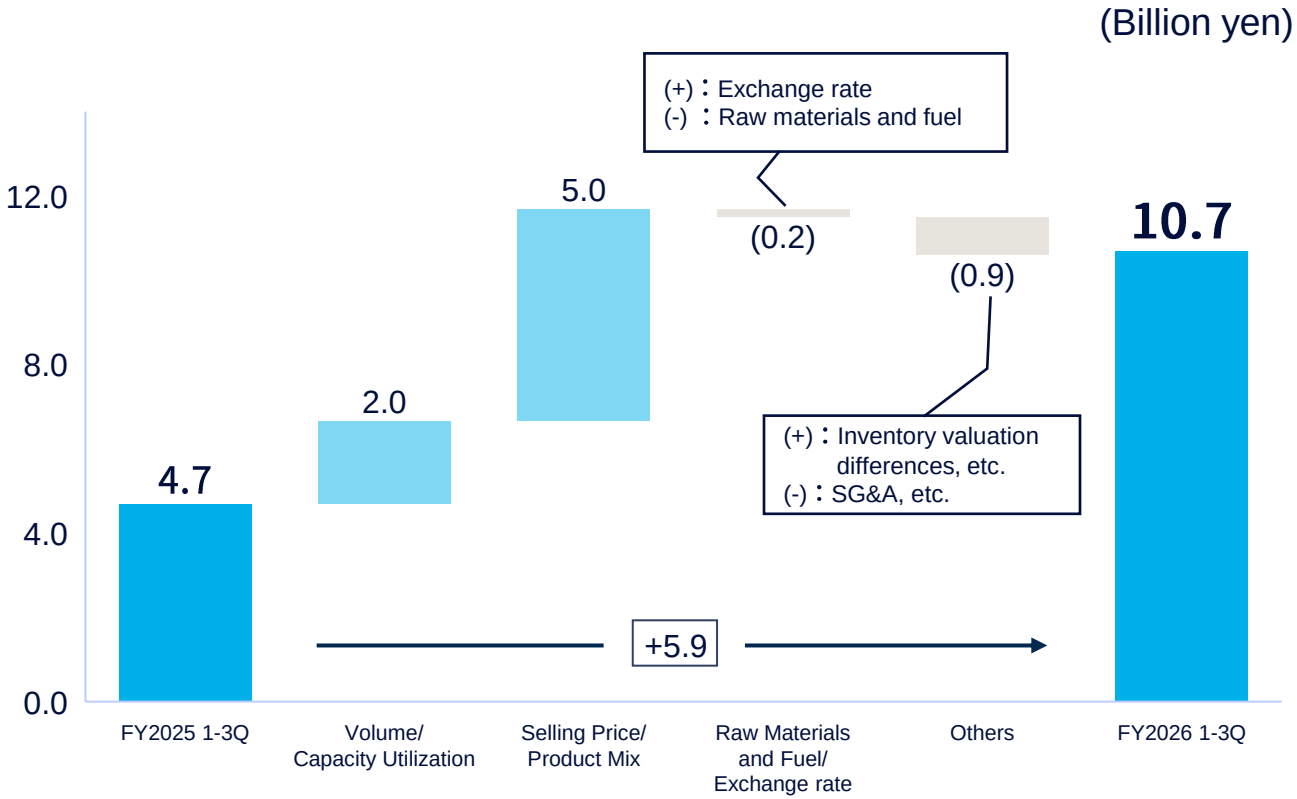
Isoprene Chemicals and Elastomers	As a result of stagnant demand for construction applications in China, sales volume of isoprene chemicals decreased. Particularly in the United States market, sales volumes of elastomers increased. As for profitability, there were positive effects from price revisions, a decline in depreciation and amortization expenses, and other factors.
GENESTAR™	Sales volume increased due to sales expansion in both electric and electronic applications and automotive applications.

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Functional Materials

- Sales in the medical business remained firm.
- Earnings improved through price revisions for activated carbon and restructuring of the methacrylate business.

【Factors Affecting the Change in Operating Income 】



【Business Conditions】

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 (slated to begin operating in the first quarter of 2028).

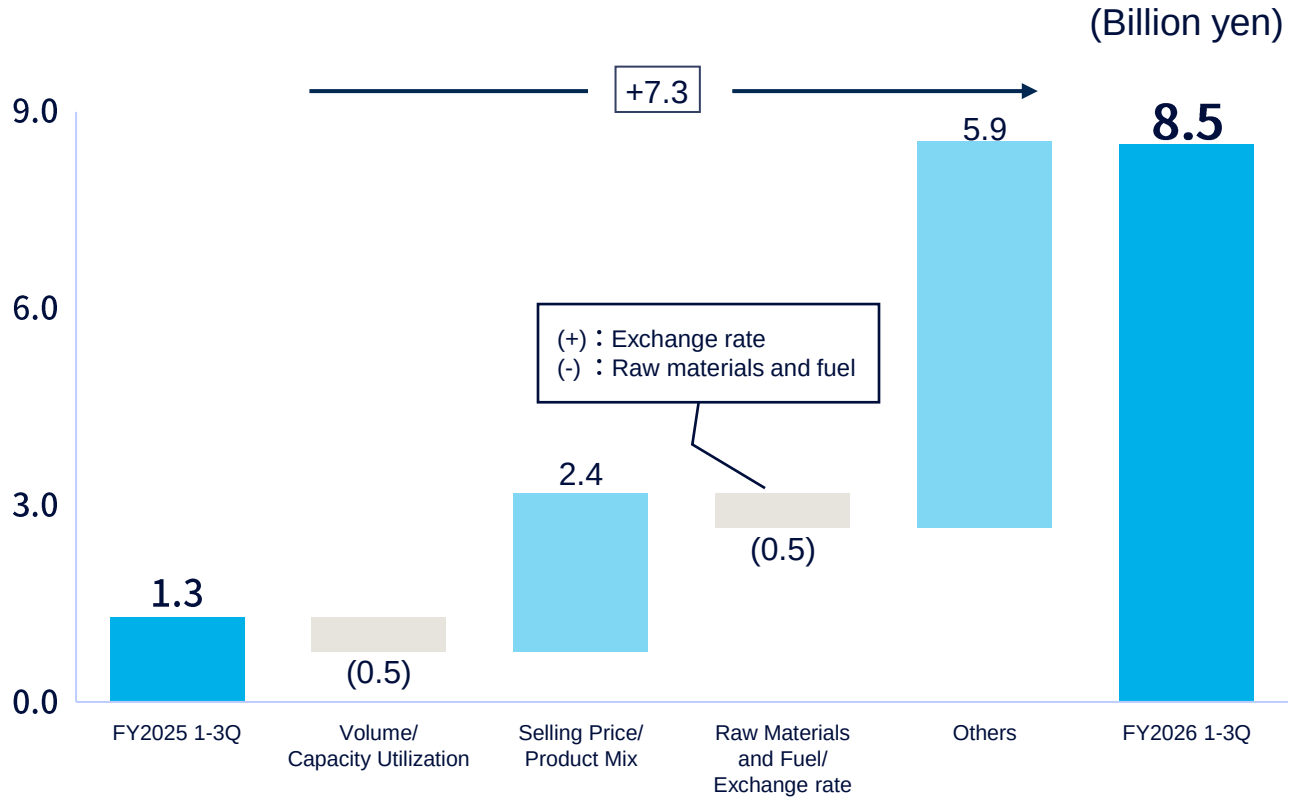
*From FY2026, the segment classification of the Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

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Fibers and Textiles

- Promoted a price revision for KURALON™ in response to rising raw material and fuel prices
- Inventory valuation differences contributed positively.

【Factors Affecting the Change in Operating Income 】



【Business Conditions】

CLARINO™	Sales volume increased amid a recovery in demand, including for footwear applications.
Fibers and Industrial Materials	Sales volume of KURALON™ remained sluggish due to weak demand for construction material applications. Strong sales of VECTRAN™ contributed to profitability in addition to the positive impact of inventory valuation differences and a price revision for KURALON™.

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Balance Sheet [1]: Assets

(Billion yen)

	Sep. 30, 2026	Dec. 31, 2025	Difference
Current Assets	**590.8**	578.4	12.4
Non-current Assets	**739.6**	725.1	14.5
Total Assets	**1,330.4**	1,303.5	26.9

	Sep. 30, 2026	Dec. 31, 2025
JPY/USD (end of period)	157	157
JPY/EUR (end of period)	178	184

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Balance Sheet [2]: Liabilities and Net Assets

(Billion yen)

	Sep. 30, 2026	Dec. 31, 2025	Difference
Current Liabilities	**215.7**	228.2	(12.6)
Non-current Liabilities	**348.5**	320.1	28.3
Total Liabilities	**564.1**	548.3	15.8
Net Assets	**766.3**	755.2	11.1
Total Liabilities and Net Assets	**1,330.4**	1,303.5	26.9
Equity Ratio	**56.6%**	57.0%	(0.4)%

	Sep. 30, 2026	Dec. 31, 2025
JPY/USD (end of period)	157	157
JPY/EUR (end of period)	178	184

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Forecast for FY2026

- Although there will be a gap between 3Q and 4Q profits, 2H performance is expected to progress in line with the plan. The full-year earnings forecast has not been revised.

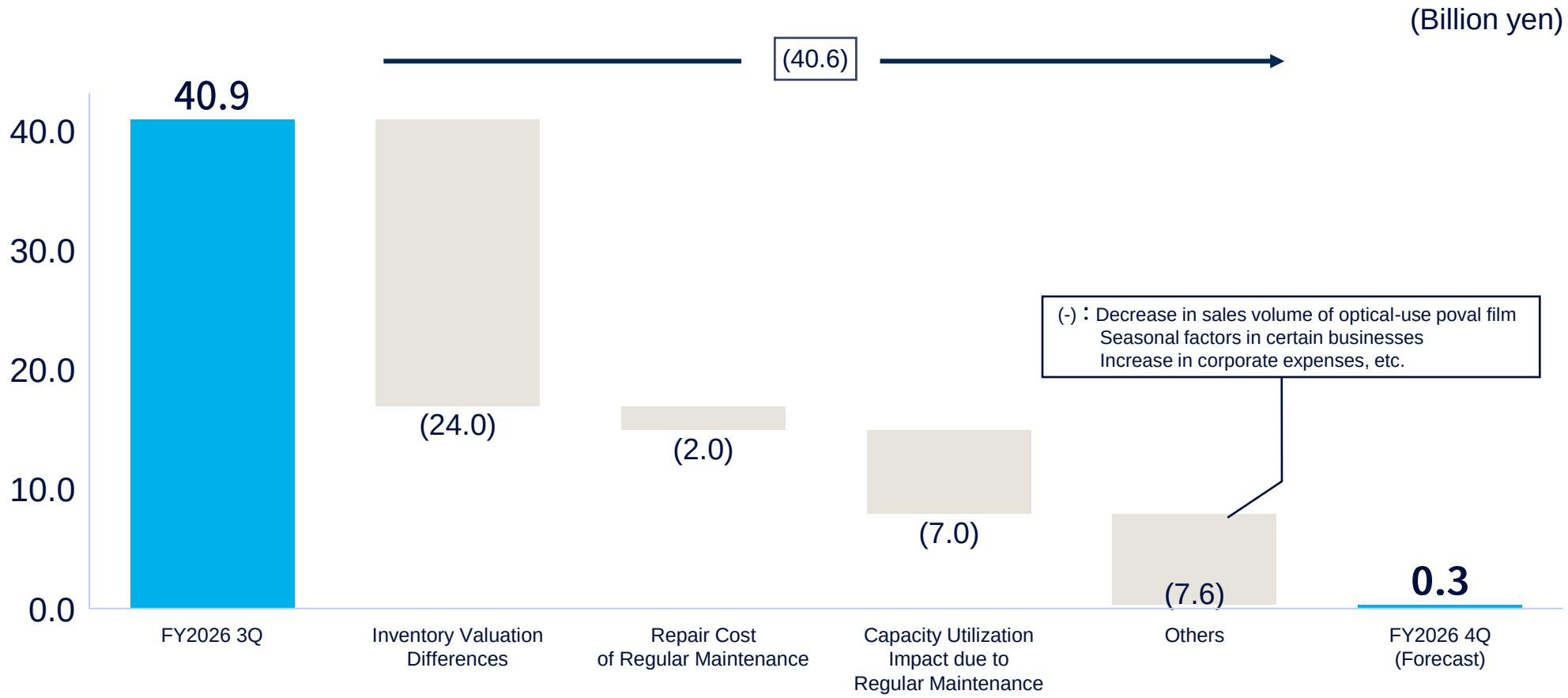
(Billion yen)

	FY2026 Forecast (Nov. 11, 2026)	FY2025	Difference	FY2026 Forecast (Aug. 7, 2026)	Difference
Net Sales	**880.0**	808.4	71.6	880.0	0.0
Operating Income	**70.0**	58.9	11.1	70.0	0.0
Ordinary Income	**64.0**	51.5	12.5	64.0	0.0
Net Income Attributable to Owners of the Parent	**40.0**	7.5	32.5	40.0	0.0
Reference					
JPY/USD (average)	**158**	150		159	
JPY/EUR (average)	**182**	169		182	
Domestic naphtha JPY 1,000/kl	**93**	68		92	
US natural gas USD/MMBtu	**3.1**	3.6		3.2	
Europe natural gas EUR/MWh	**62**	37		52	

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FY2026 3Q Results and 4Q Forecast Factors Affecting the Change in Operating Income

- Inventory valuation differences, which had a positive impact in 3Q, are expected to have a negative impact in 4Q.
- The impact of regular maintenance at certain plants and decreases in sales volume of optical-use poval film and other products are expected.



*See p.14 for a breakdown of inventory valuation differences, repair cost of regular maintenance, and capacity utilization impact due to regular maintenance.

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Details of Inventory Valuation Differences and Regular Maintenance Impacts
(FY2026 3Q Results and 4Q Forecast)

Approximate impact on operating income

(Billion yen)
＋：profit, ()：loss

	FY2026 3Q				FY2026 4Q (Forecast)				3Q/4Q Difference (Forecast)
	Inventory valuation differences	Repair cost of regular maintenance	Capacity utilization impact due to regular maintenance	Total	Inventory valuation differences	Repair cost of regular maintenance	Capacity utilization impact due to regular maintenance	Total	
Vinyl Acetate	11.0	0.0	1.5	12.5	(5.0)	(1.5)	(1.5)	(8.0)	(20.5)
Isoprene	1.5	0.0	0.5	2.0	(1.0)	0.0	(0.5)	(1.5)	(3.5)
Functional Materials	0.5	0.0	0.0	0.5	0.0	0.0	0.0	0.0	(0.5)
Fibers & Textiles	3.0	0.0	0.5	3.5	(2.0)	(0.5)	(0.5)	(3.0)	(6.5)
Trading/ Others/ Elimination & Corporate	0.0	0.0	1.0	1.0	0.0	0.0	(1.0)	(1.0)	(2.0)
Total	16.0	0.0	3.5	19.5	(8.0)	(2.0)	(3.5)	(13.5)	(33.0)

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【Ref.】 Net Sales and Operating Income by Segment

(Billion yen)

	FY2026 Forecast (Nov. 11, 2026)		FY2025		Difference		FY2026 Forecast (Aug. 7, 2026)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	431.0	63.0	404.5	62.5	26.5	0.5	431.0	63.0	0.0	0.0
Isoprene	96.0	1.5	80.4	(4.9)	15.6	6.4	96.0	2.5	0.0	(1.0)
Functional Materials	234.0	13.5	207.8	8.9	26.2	4.6	234.0	13.5	0.0	0.0
Fibers & Textiles	66.0	6.0	60.7	2.6	5.3	3.4	66.0	5.5	0.0	0.5
Trading	74.0	7.0	68.8	6.0	5.2	1.0	74.0	7.0	0.0	0.0
Others	40.0	2.0	39.9	3.7	0.1	(1.7)	40.0	1.5	0.0	0.5
Elimination & Corporate	(61.0)	(23.0)	(53.7)	(20.1)	(7.3)	(2.9)	(61.0)	(23.0)	0.0	0.0
Total	880.0	70.0	808.4	58.9	71.6	11.1	880.0	70.0	0.0	0.0

*From FY2026, the segment classification of the businesses under Electronics Materials Promotion Division is changed from “Others” to “Functional Materials.” Accordingly, figures presented under result for FY2025 reflect this change.

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【Ref.】 Quarterly Net Sales by Segments

(Billion yen)

	FY2025					FY2026				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	100.4	102.5	98.5	103.1	404.5	101.9	115.2	105.5	108.4	431.0
Isoprene	19.7	20.3	18.6	21.9	80.4	21.5	24.4	22.9	27.3	96.0
Functional Materials	47.8	50.8	50.6	58.7	207.8	52.8	57.5	57.8	65.9	234.0
Fibers & Textiles	13.4	16.3	14.0	17.0	60.7	14.0	17.9	14.8	19.4	66.0
Trading	16.7	17.2	15.1	19.7	68.8	17.8	19.6	17.7	18.9	74.0
Others	10.9	10.8	9.6	8.7	39.9	7.2	8.6	10.5	13.8	40.0
Elimination & Corporate	(14.1)	(12.7)	(12.9)	(14.0)	(53.7)	(14.3)	(13.1)	(16.8)	(16.9)	(61.0)
Total	194.8	205.2	193.5	215.0	808.4	200.9	230.1	212.3	236.6	880.0

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【Ref.】 Quarterly Operating Income by Segments

(Billion yen)

	FY2025					FY2026				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	15.9	14.0	18.7	14.0	62.5	11.0	14.3	30.5	7.2	63.0
Isoprene	2.8	(4.1)	(0.9)	(2.7)	(4.9)	2.9	(1.1)	1.6	(1.9)	1.5
Functional Materials	1.4	0.4	3.0	4.2	8.9	3.4	1.5	5.8	2.8	13.5
Fibers & Textiles	(0.6)	0.5	1.4	1.3	2.6	1.1	3.1	4.4	(2.5)	6.0
Trading	1.4	1.7	1.2	1.8	6.0	1.6	2.1	1.8	1.6	7.0
Others	0.8	1.1	1.1	0.7	3.7	0.4	0.4	0.8	0.4	2.0
Elimination & Corporate	(3.0)	(5.9)	(4.4)	(6.8)	(20.1)	(5.5)	(6.3)	(3.9)	(7.3)	(23.0)
Total	18.7	7.6	20.1	12.5	58.9	14.9	14.0	40.9	0.3	70.0

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【Ref.】 Modeling Tool (FY2025 Results)

Approximate impact on operating income

(Billion yen)
＋：profit, ()：loss

	FY2025 1H				FY2025 2H				FY2025
	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Total
Vinyl Acetate	(2.0)	(2.0)	(3.0)	(7.0)	(0.5)	2.0	3.0	4.5	(2.5)
Isoprene	(2.0)	0.0	0.5	(1.5)	0.0	0.0	(1.0)	(1.0)	(2.5)
Functional Materials	(0.5)	(2.0)	0.0	(2.5)	0.0	0.0	0.5	0.5	(2.0)
Fibers & Textiles	0.0	0.0	(0.5)	(0.5)	0.0	0.0	0.5	0.5	0.0
Total	(4.5)	(4.0)	(3.0)	(11.5)	(0.5)	2.0	3.0	4.5	(7.0)

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【Ref.】 Modeling Tool (FY2026 1H Results and 2H Revised Forecast)

Approximate impact on operating income

(Billion yen)
＋：profit, ()：loss

	FY2026 1H				FY2026 2H (Forecast)				FY2026 (Forecast)
	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Regular maintenance cost	Operation suspension cost	Inventory valuation differences	Total	Total
Vinyl Acetate	(4.0)	0.0	(3.0)	(7.0)	(1.5)	0.0	6.0	4.5	(2.5)
Isoprene	(2.0)	0.0	1.5	(0.5)	0.0	0.0	0.5	0.5	0.0
Functional Materials	0.0	(0.5)	(0.5)	(1.0)	0.0	0.0	0.5	0.5	(0.5)
Fibers & Textiles	0.0	0.0	0.5	0.5	(0.5)	0.0	1.0	0.5	1.0
Total	(6.0)	(0.5)	(1.5)	(8.0)	(2.0)	0.0	8.0	6.0	(2.0)

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【Ref.】 Upcoming IR Events (Planned)

February 9, 2027	Announcement of FY2026 Financial Results Announcement of New Long-Term Vision
February 22, 2027	Briefing on New Long-Term Vision

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- All figures are rounded to the nearest hundred million yen.
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