

November 26, 2025

Financial Results for Interim Period of FY3/26 and Progress in Medium-term Management Plan

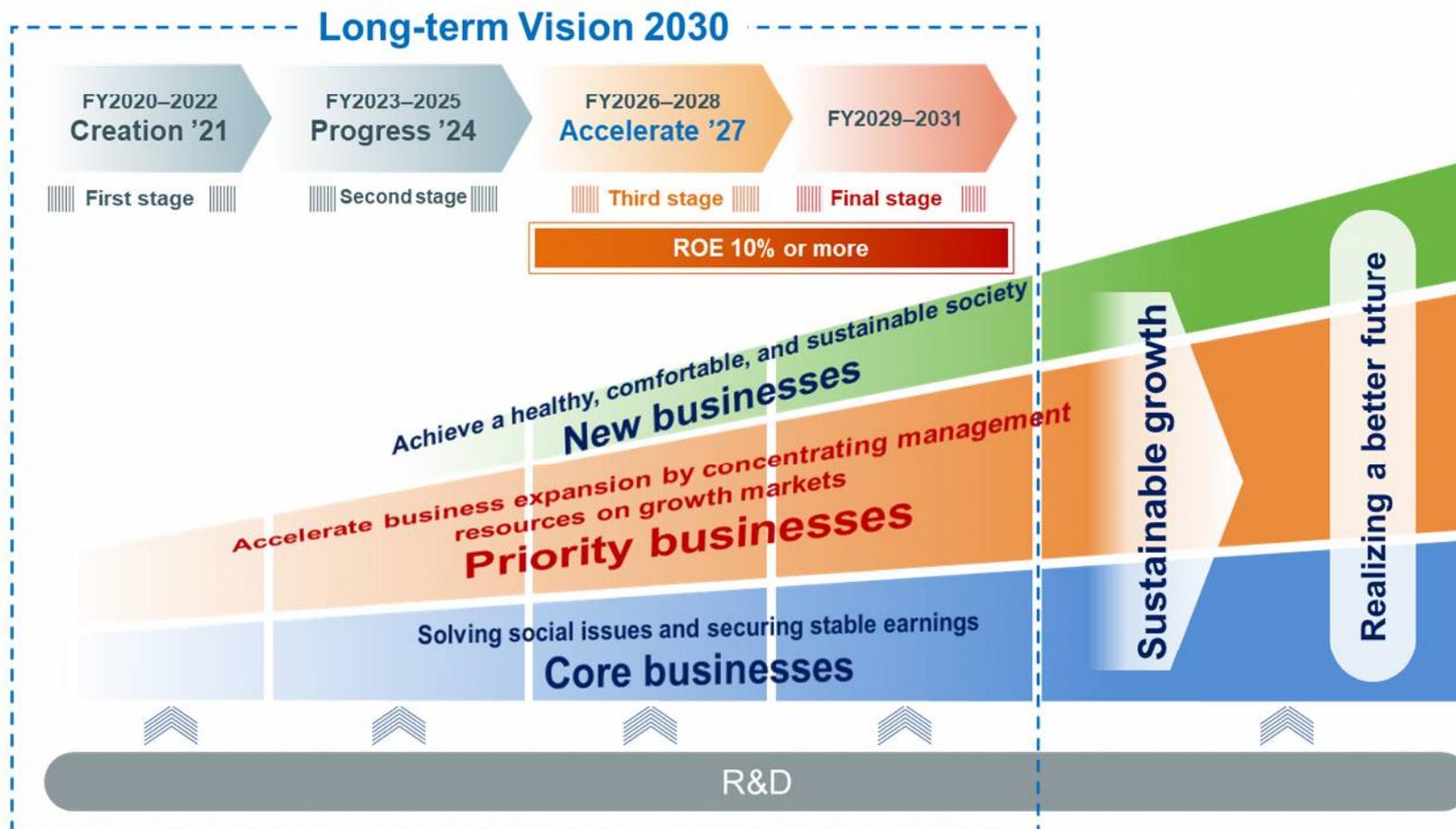
Accelerate'27

- I** Overview of Medium-term Management Plan Accelerate '27
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- III** Performance and Outlook by Segment
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**Enter the third stage of realizing our long-term vision!
Further accelerate business portfolio reform and strengthen initiatives
toward the final stage**

“A strong corporate group that generates innovation and high profit”



Basic policy	Accelerate growth in high-profit businesses and increase corporate value through efficient use of management resources
Priority policies	<ol style="list-style-type: none"> 1. Develop and accelerate priority businesses in growth markets and strengthen profitability of core businesses 2. Strengthen R&D activities and create new businesses to place them on a profitable footing 3. Contribute to the realization of a sustainable society 4. Build a highly engaged organization

Issues from the previous medium-term management plan
<ul style="list-style-type: none"> • Further accelerate growth in priority businesses • Promote structural reform of core businesses • Quickly create and monetize new businesses

Changes in environment
<ul style="list-style-type: none"> • Expanding growth opportunities in priority areas • Advances in innovation, including DX (digital transformation) • Growing awareness of the SDGs and climate action

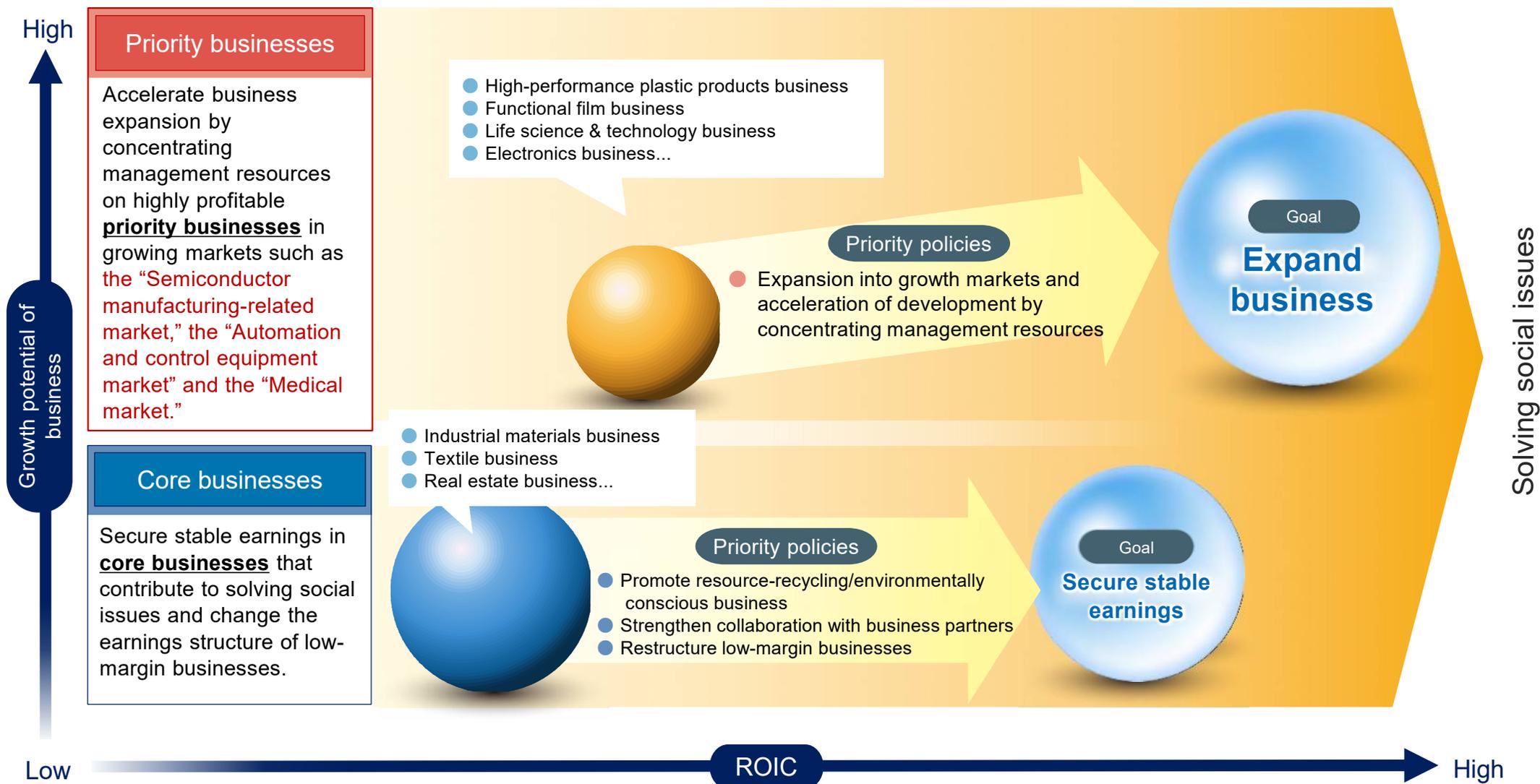


Significant underachievement due largely to the pandemic caused by COVID-19



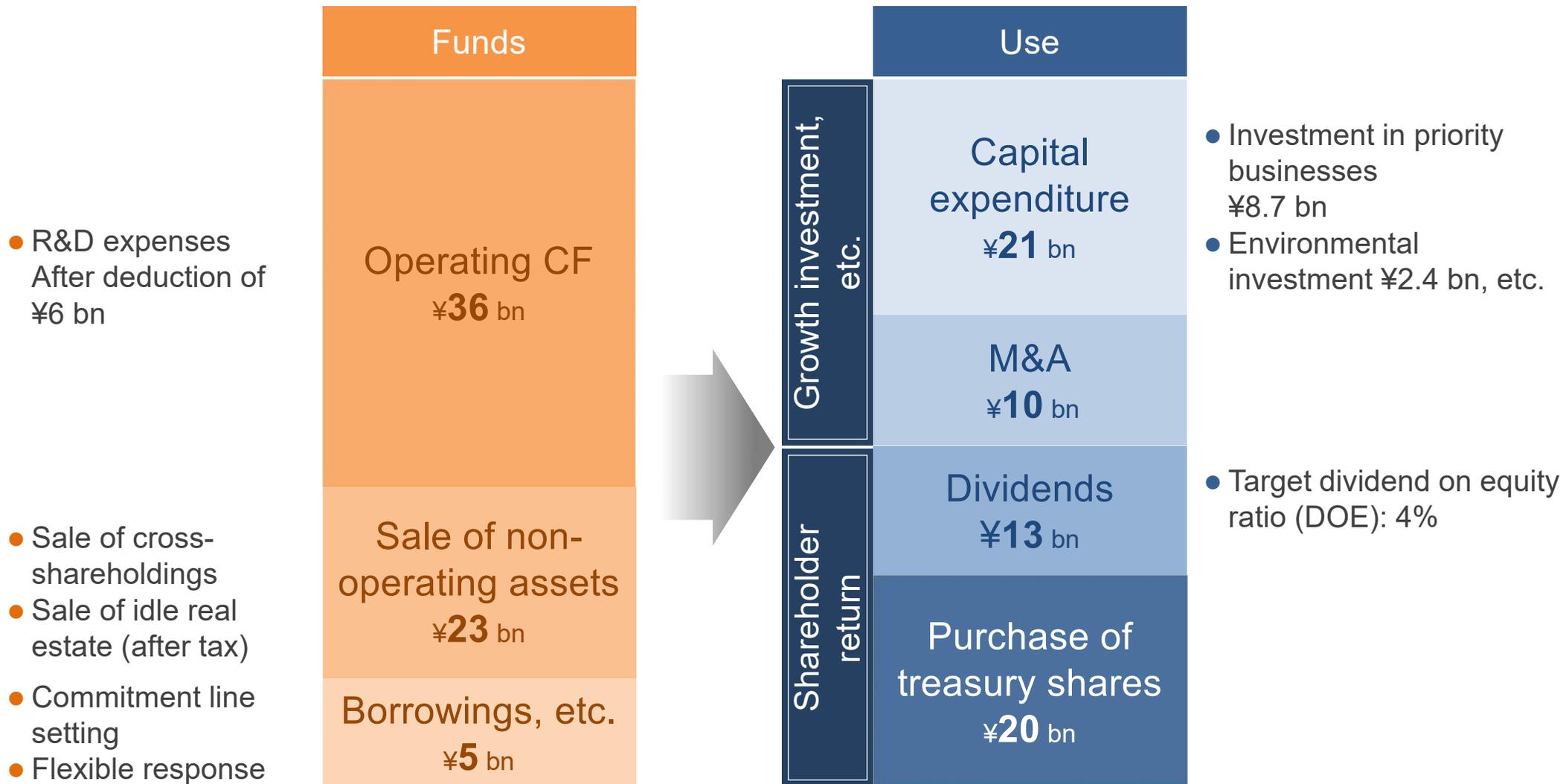
Final year target
<ul style="list-style-type: none"> • Net sales: 165 billion yen • Operating profit: 13 billion yen

Accelerate business portfolio reform by concentrating management resources on highly profitable priority businesses



Segment	Business category	Main products and services	Priority/core	Priority area
Chemical products	High-performance plastic products	High-performance plastic processed products (fluoropolymers, super engineering plastics), fluorine resin materials, filters, etc.	Priority	Semiconductor manufacturing-related
	Functional films	Semiconductor process films (release films, dicing films, etc.)	Priority	Semiconductor manufacturing-related
		Sealing materials for solar batteries, various high-performance films	Priority	
	Industrial materials	Flexible polyurethane foam, heat-insulating materials, building materials, and functional materials such as non-woven fabrics	Core	
Textile	Yarn	High-performance yarns (functional cotton yarn NaTech), etc.	Core	
	Uniforms	Highly functional fabrics and products for uniforms (flame-retardant fabrics "BREVANO" and others), and a heat risk management system (Smartfit), etc.		
	Casual wear	High-value-added fabrics and products for casual wear, etc.		
Advanced technology	Life science & technology	Agitation and defoaming equipment, gene extraction system and analysis service, robotic vision, automation equipment (Labo/factory automation), etc.	Priority	Life science related
	Electronics	Concentration meter, etc.	Priority	Semiconductor manufacturing-related
		Infrastructure inspection equipment, film thickness gauge, etc.		
	Engineering	Wafer cleaning equipment, chemical supply system, etc.	Priority	Semiconductor manufacturing-related
Environment-related equipment (water treatment, gas treatment, biomass, etc.)		Core		
Food and services	Food	Freeze-dried food	Priority	Life science related
	Services	Cultural complex (Kurashiki Ivy Square), driving school	Core	
Real estate	Real estate	Real estate rental	Core	

Generate funds from operating cash flow and sales of non-operating assets, and allocate them to growth investment and shareholder returns in a balanced manner.



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■ Sales and profits declined year on year, but profits were higher than forecast

- Net sales: ¥69.2 billion, -3.6% YoY (-1.1% vs. forecast)
- Operating profit: ¥3.9 billion, -7.3% YoY (+22.8% vs. forecast)
- Ordinary profit: ¥4.8 billion, -5.0% YoY (+21.1% vs. forecast)

■ While sales and profits in the **Chemical Products Business** declined year on year due to a slowdown in sales of high-performance plastic products for semiconductor manufacturing equipment, our main products, they were higher than forecast, which had factored in the sluggish semiconductor market.

The **Textile Business**, which was undergoing structural reform, posted lower sales and profits year on year due to struggling sales in the casual wear division. In the **Advanced Technology Business**, sales and profits increased due to strong sales of FA equipment, inspection equipment for the railroad industry, wafer cleaning equipment, and other products.

■ Interim net profits increased significantly due to the recording of gains on the sale of cross-shareholdings as extraordinary income.

- Interim profit: ¥6.4 billion, +87.5% YoY (+14.7% vs. forecast)

Financial Results Overview for Second Quarter (Interim Period) (Whole Company)

	Q2 FY3/25 (interim period) results		Q2 FY3/26 (interim period) results		YoY		Vs. forecast (Aug. 7)	
	(¥mn)	Composition ratio		Composition ratio		% change		% difference
Net sales	71,845		69,245		-2,599	-3.6%	-755	-1.1%
Gross profit	14,656	20.4%	14,555	21.0%	-100	-0.7%	-	-
SG&A expenses	10,415	14.5%	10,625	15.3%	+210	+2.0%	-	-
Operating profit	4,241	5.9%	3,929	5.7%	-311	-7.3%	+729	+22.8%
Ordinary profit	5,100	7.1%	4,843	7.0%	-257	-5.0%	+843	+21.1%
Profit attributable to owners of parent	3,425	4.8%	6,421	9.3%	+2,995	+87.5%	+821	+14.7%
Capital expenditure	1,814		1,894		+79			
Depreciation	2,561		2,416		-144			

Net sales were below the revised upward forecast on August 7 due to declines in sales of the “Chemical Products Business” and “Textile Business.”

On the other hand, although profits also decreased due to lower sales, all businesses performed solidly compared with the forecast, exceeding the upwardly revised forecast announced on August 7.

In particular, interim profit increased significantly due to gains on the sale of cross-shareholdings.

Results Overview for Second Quarter (Interim Period) (By Segment)

		Q2 FY3/25 (interim period) results		Q2 FY3/26 (interim period) results		YoY		Vs. forecast (Aug. 7)	
			Profit ratio		Profit ratio		% change		% change
		(¥mn)							
Chemical Products Business	Net sales	32,592		29,869		-2,723	-8.4%	-131	-0.4%
	Operating profit	2,312	7.1%	1,564	5.2%	-748	-32.4%	+264	+20.3%
Textile Business	Net sales	23,650		22,131		-1,519	-6.4%	+131	+0.6%
	Operating profit	35	0.1%	-524	-2.4%	-560	-	+176	-
Advanced Technology Business	Net sales	8,866		10,044		+1,177	+13.3%	-856	-7.9%
	Operating profit	1,052	11.9%	1,830	18.2%	+777	+73.9%	+130	+7.6%
Food and Services Business	Net sales	4,873		5,230		+356	+7.3%	+130	+2.5%
	Operating profit	217	4.5%	369	7.1%	+152	+70.0%	+69	+23.0%
Real Estate Business	Net sales	1,862		1,971		+109	+5.9%	-29	-1.4%
	Operating profit	1,186	63.7%	1,245	63.2%	+59	+5.0%	+145	+13.2%

(¥mn)	End 3/25	End 9/25	Change	Remarks
Current assets	84,835	79,795	-5,039	Trade receivables and inventories declined
(Cash and deposits)	(15,192)	(15,003)	(-189)	
Non-current assets	105,693	110,397	+4,704	
(Property, plant and equipment, and intangible assets)	(45,801)	(44,964)	(-836)	
(Investments and other assets)	(59,891)	(65,432)	+5,541	Investment securities increased
Total assets	190,529	190,193	-335	
Current liabilities	39,502	33,740	-5,762	Short-term borrowings and accrued equipment charges declined
Non-current liabilities	29,843	30,751	+907	Deferred tax liabilities increased
Total liabilities	69,346	64,491	-4,854	
Net assets	121,182	125,701	+4,518	Valuation differences on available-for-sale securities increased
(Shareholders' equity)	(100,511)	(102,024)	(+1,512)	
Total liabilities and net assets	190,529	190,193	-335	
Equity ratio	62.9%	65.4%	+2.5pt	
ROE (return on equity)	7.6%	-	-	
ROA (return on assets)	5.4%	-	-	
ROIC (return on invested capital)	5.5%	-	-	

Impact of higher stock prices

	(¥mn)	Q2 FY3/25 (interim period)	Q2 FY3/26 (interim period)	Remarks
Operating cash flow		4,600	9,028	
(Depreciation)		(2,561)	(2,416)	
(Change in working capital*)		(470)	(3,549)	*Trade receivables + inventories – trade payables
Investing cash flow		-1,701	-352	
(Purchase of property, plant and equipment and intangible assets)		(-1,729)	(-3,982)	Capital expenditures of ¥1,894 mn (recorded amount)
(Proceeds from sale of investment securities)		(-)	(4,376)	Sale of cross-shareholdings
Financing cash flow		-4,904	-8,735	
(Purchase of treasury shares)		(-1,687)	(-2,901)	
(Dividends paid)		(-1,083)	(-2,042)	
Net increase in cash and cash equivalents		-1,905	-181	
Cash and cash equivalents at end of interim period		14,218	14,977	

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Financial results overview for second quarter (interim period)

Overall sales and profit in the business declined due to a slowdown in sales of our main “high-performance plastic products” as a result of sluggish markets related to semiconductor manufacturing. On the other hand, profitability of “industrial materials” improved due to structural reforms and productivity improvements.

Status of sub-segments

High-performance plastic products

Orders for semiconductor manufacturing equipment declined amid weakness in the semiconductor market, excluding AI-related demand.

Functional films

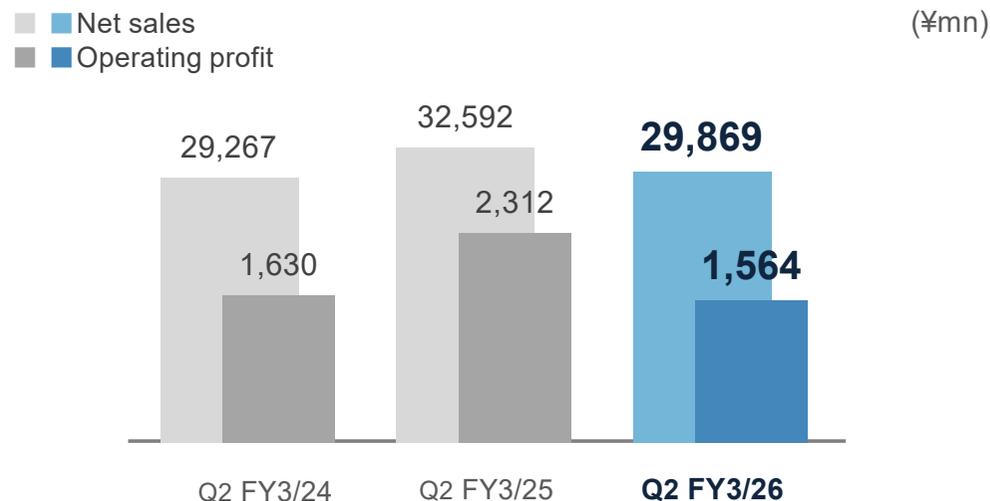
Orders for automotive applications in North America declined, although those for solar battery applications were strong.

Industrial materials

Orders for flexible polyurethane foam for automobile interior materials, non-woven fabrics for automobile filters and heat-insulating materials were strong.

	Q2 FY3/25	Q2 FY3/26	Change
High-performance plastic products	8,975	6,998	-1,977
Functional films	5,161	4,770	-390
Industrial materials	21,142	21,247	+104
Elimination and others	-2,688	-3,148	-460
Total	32,592	29,869	-2,723

Trends of net sales and operating profit



Future outlook (FY3/2026 forecasts)

Net sales

¥62.5 bn

Operating profit

¥3.5 bn

- “High-performance plastic products” are expected to slow down for the full year due to a delayed demand recovery. We will focus on expanding customer shares and developing new technologies.
- Orders for “functional films” are expected to be firm for solar batteries and applications related to semiconductor manufacturing.
- For “industrial materials,” the non-woven fabric business of the subsidiary will remain strong despite a visible impact of U.S. tariffs on some flexible polyurethane foam for automobiles.
- We will enhance manufacturing competitiveness through DX and accelerate the rollout of environmentally friendly, energy-saving products.

Financial results overview for second quarter (interim period)

The yarn business was firm, centering on differentiated raw yarns such as NaTech, a high-performance cotton yarn utilizing raw material modification technology, but the casual business struggled both in Japan and overseas due to a decrease in orders from large customers. Overall business saw lower sales and a loss. As for structural reforms, we finished closing the Anjo Mill at the end of July.

Status of sub-segments

Yarn

Orders increased for differentiated raw yarns such as “NaTech.” Production transfer due to the plant closure also progressed smoothly.

Uniforms

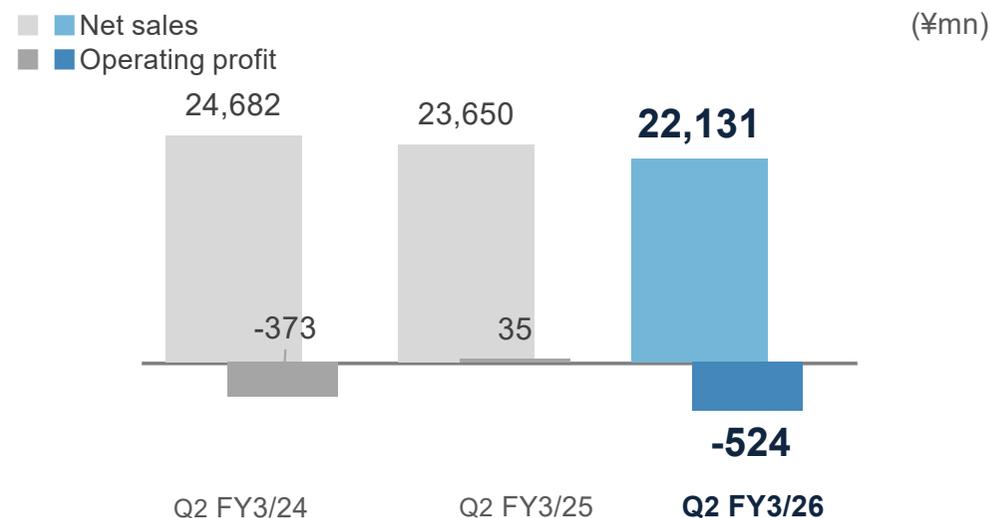
Orders increased for uniform apparel products, while those for “Smartfit” slowed.

Casual wear

Orders for fabrics for domestic SPAs declined.

	Q2 FY3/25	Q2 FY3/26	Change
Yarn	8,212	9,085	+872
Uniforms	5,388	5,454	+65
Casual wear	12,316	10,347	-1,968
Elimination and others	-2,267	-2,756	-489
Total	23,650	22,131	-1,519

Trends of net sales and operating profit



Future outlook (FY3/2026 forecasts)

Net sales

¥43.5 bn

Operating profit

-¥0.7 bn

- For “yarns”, orders at the Brazilian subsidiary are expected to be sluggish, but orders for differentiated yarns are to remain strong, and ASEAN the subsidiary are also expected to receive stronger orders due to the production transfer from the closed Anjo Mill.
- For “uniforms,” orders for linen are expected to be sluggish, but those for working-use uniforms, mainly flame-retardant fabrics, are expected to recover from the second half of the fiscal year onward.
- “Casual wear” will continue to struggle in the second half of the year, as price competition will intensify for orders from large customers and the business will become less profitable.

Financial results overview for second quarter (interim period)

Strong sales of concentration meters, wafer and filter cleaning equipment, and other commercial products for the “semiconductor manufacturing-related areas” boosted the performance of the “Electronics” and “Engineering.” For “Life science & technology,” higher orders for FA equipment from the subsidiary offset decline both in exports of agitation and defoaming equipment affected by US tariffs and in robotic vision.

Status of sub-segments

Life science & technology

Orders remained sluggish for agitation and defoaming equipment due to U.S. tariff policy but increased for FA equipment of the subsidiary.

Electronics

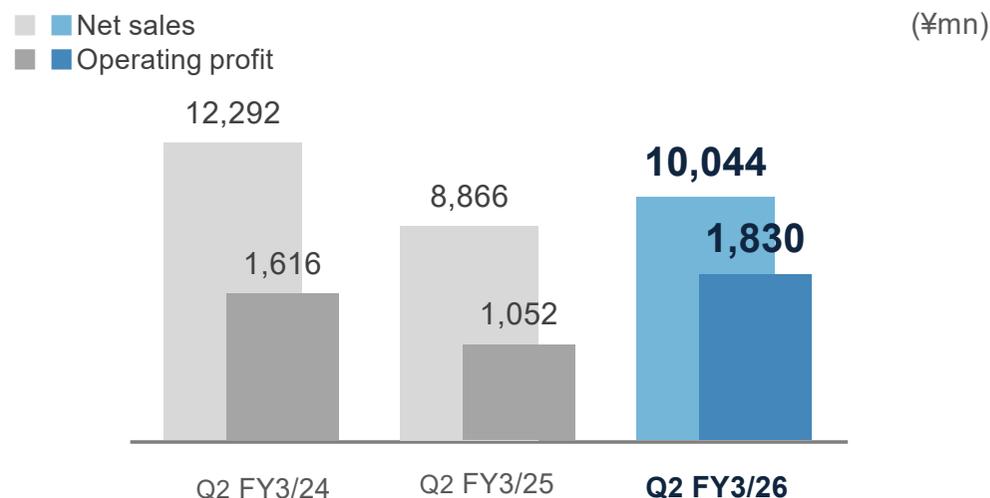
Sales of concentration meters for the semiconductor industry remained strong, and infrastructure inspection systems for the railroad industry and film thickness gauges also performed well.

Engineering

Orders for exhaust gas treatment equipment and other equipment remained strong, and orders for the subsidiary’ wafer cleaning equipment and filter cleaning equipment were also strong.

	Q2 FY3/25	Q2 FY3/26	Change
Life science & technology	2,091	2,425	+333
Electronics	3,468	3,764	+295
Engineering	4,006	5,067	+1,060
Elimination and others	-700	-1,212	-512
Total	8,866	10,044	+1,177

Trends of net sales and operating profit



Future outlook (FY3/2026 forecasts)

Net sales

¥23.2 bn

Operating profit

¥3.4 bn

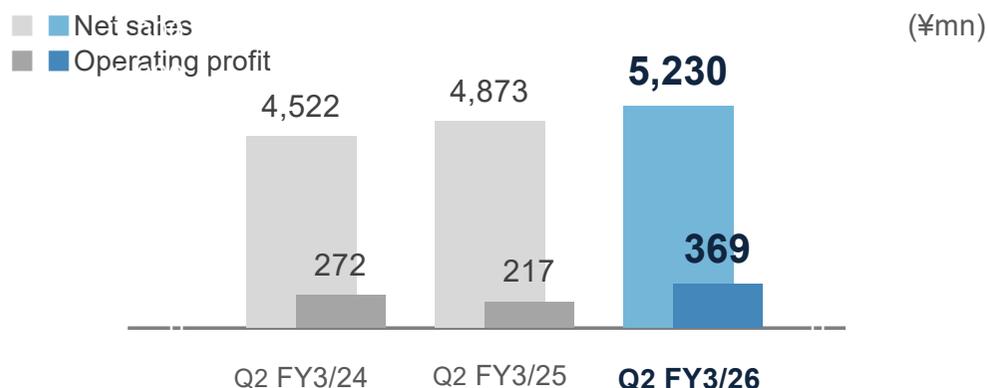
- In “Life science & technology,” sales of agitation and defoaming equipment will remain sluggish, but robotic vision will recover in the second half. The subsidiary’ FA equipment will also continue to perform well.
- In “Electronics,” orders for infrastructure inspection systems will be strong for both railroads and pavements. We expect steady sales of film thickness gauges and concentration meters.
- In “Engineering,” wafer cleaning equipment and other semiconductor manufacturing-related products are expected to perform well.

Results by Segment Food and Services Business (Left) and Real Estate Business (Right)

Financial results overview for second quarter (interim period)

In “Food,” sales of instant noodle ingredients expanded steadily. In the hotel-related “Services,” accommodations and restaurant sales were favorable due to strong inbound demand, and demand for banquets was also on a recovery trend.

Trends of net sales and operating profit



Future outlook (FY3/2026 forecasts)

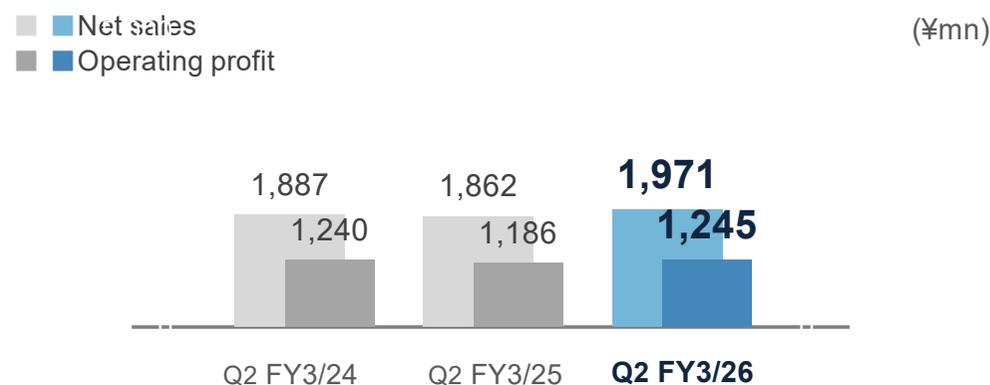
Net sales ¥11.0 bn **Operating profit** ¥0.7 bn

- In “Food,” instant noodles continued to perform well, while soups also saw progress in the adoption of new products and the acquisition of new customers. We will focus on developing differentiated products and laying the groundwork for new market development, including exports.
- Hotel-related “Service” will maintain high room rates and occupancy rates on the back of strong demand.

Financial results overview for second quarter (interim period)

Sales and profit increased due to the opening of new rental properties.

Trends of net sales and operating profit



Future outlook (FY3/2026 forecasts)

Net sales ¥3.8 bn **Operating profit** ¥2.2 bn

While revenue is expected to increase due to the opening of new rental properties, operating profit is expected to remain flat due to an increase in repair and other costs.

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Given that the economic uncertainties are expected to continue, including the impact of U.S. tariffs, the Company maintained its full-year forecasts for net sales, operating profit, and ordinary profit, but revised up its forecast for profit, taking into account an increase in gain on sale of cross-shareholdings and other factors.

	FY3/25 Full-year results		FY3/26 Forecast				YoY	
			Previously forecast (Aug. 7)		This forecast			
	(¥mn)	Composition ratio		Composition ratio		Composition ratio		% change
Net sales	150,660		144,000		144,000		-6,660	-4.4%
Operating profit	10,311	6.8%	8,000	5.6%	8,000	5.6%	-2,311	-22.4%
Ordinary profit	11,784	7.8%	9,500	6.6%	9,500	6.6%	-2,284	-19.4%
Profit attributable to owners of parent	9,014	6.0%	9,500	6.6%	10,500	7.3%	+1,486	+16.5%
Capital expenditure	7,156		7,800		7,300		+144	
Depreciation	5,157		5,100		5,000		-157	

While revising downward the Chemical Products Business due to the expected delay in the recovery of high-performance plastic products, we maintained the overall net sales and operating profit. This is because the downward revision is expected to be offset by the Advanced Technology Business, where commercial products for semiconductor manufacturing-related areas are strong, and the Food Business, where sales are expanding.

		FY3/25 Full-year result		FY3/26 Forecast				YoY	
		(¥mn)	Profit ratio	Previously forecast		This forecast			% change
					Profit ratio		Profit ratio		
Chemical Products Business	Net sales	66,002		64,000		62,500		-3,502	-5.3%
	Operating profit	5,030	7.6%	3,900	6.1%	3,500	5.6%	-1,530	-30.4%
Textile Business	Net sales	48,532		43,500		43,500		-5,032	-10.4%
	Operating profit	75	0.2%	-700	-1.6%	-700	-1.6%	-775	-
Advanced Technology Business	Net sales	21,943		22,200		23,200		+1,257	+5.7%
	Operating profit	3,341	15.2%	3,000	13.5%	3,400	14.7%	+59	+1.8%
Food and Services Business	Net sales	10,458		10,500		11,000		+542	+5.2%
	Operating profit	724	6.9%	700	6.7%	700	6.4%	-24	-3.3%
Real Estate Business	Net sales	3,723		3,800		3,800		+77	+2.1%
	Operating profit	2,243	60.3%	2,200	57.9%	2,200	57.9%	-43	-1.9%

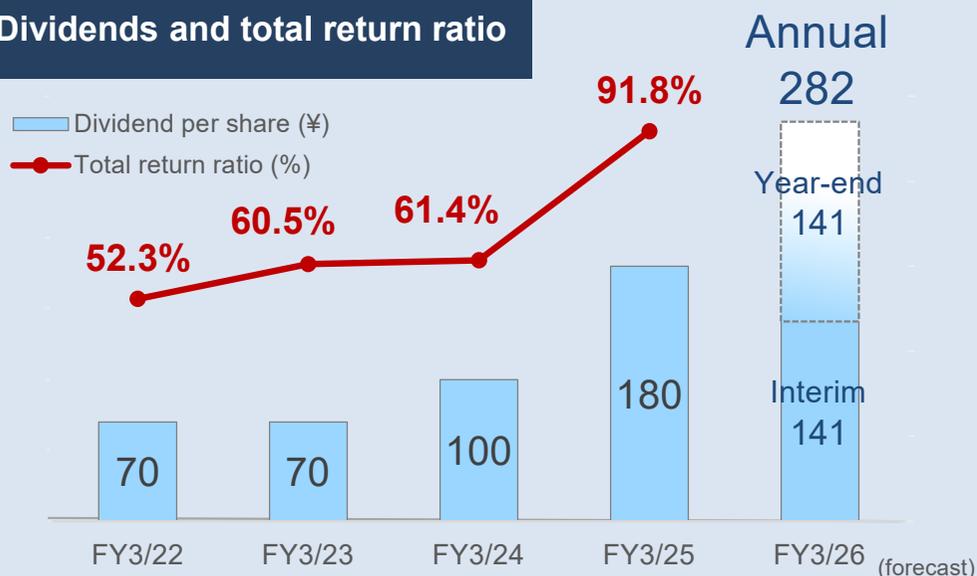
Shareholder return policy (target for “Accelerate ’27” period)

- Dividend policy: 4% dividend on equity ratio (DOE)
- Purchase of treasury shares: ¥20 bn

FY3/26 dividend forecast

We plan to significantly increase annual dividend to **282** yen/share (up **102** yen/share YoY)
 - Interim dividend of 141 yen/share, year-end dividend forecast at 141 yen/share

Dividends and total return ratio



Purchase and cancellation of treasury shares

Purchase of treasury shares completed

(*Based on a resolution of the Board of Directors on November 7, 2024)

- Total number of shares purchased: 987,000 shares (including 367,000 shares purchased during the current period)
- Total purchase price: 5,999 million yen (including 2,547 million yen for purchase during the current period)

***Resolved to cancel 1.0 million treasury shares** (November 11, 2025)

Scheduled cancellation date: November 25, 2025

Purchase of treasury shares (new)

Resolved to purchase treasury shares (November 11, 2025)

- Total number of shares purchased: Maximum 1.0 million shares
- Total amount of shares purchased: Maximum **¥7 bn**
- Purchase period: November 12, 2025 – September 30, 2026

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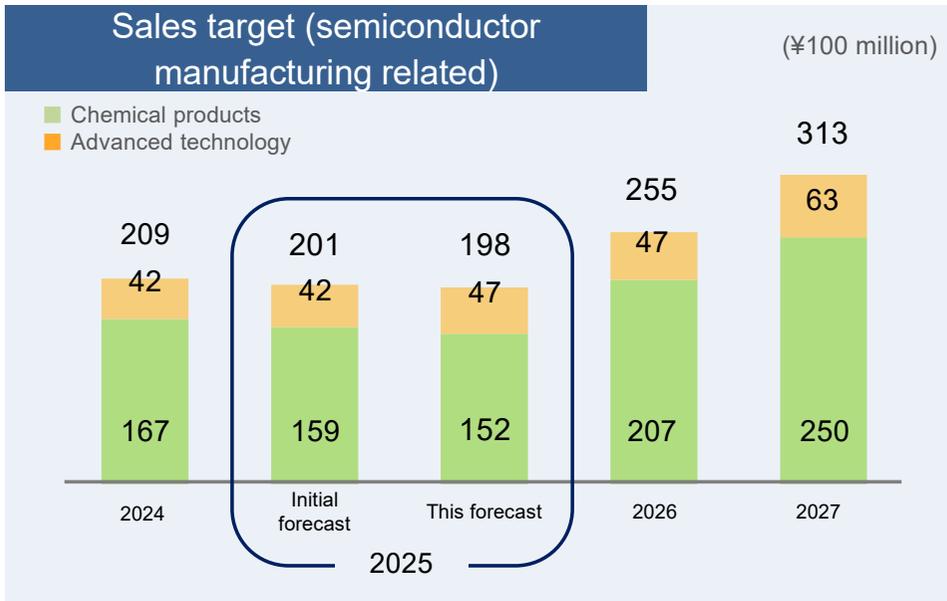
Numerical targets

[Company-wide targets] (¥100 million)	(Base year)	FY3/26		(Final year)		Change (2) - (1)
	FY3/25 results (1)	Previously forecast	This forecast	FY3/27 plan	FY3/28 plan (2)	
		FY3/26				
Net sales	1,506	1,440	1,440	1,520	1,650	+143
Operating profit	103	80	80	112	130	+26
Ordinary profit	117	95	95	120	130	+12
Profit attributable to owners of parent	90	95	105	100	110	+19
Operating profit ratio	6.8%	5.6%	5.6%	7.4%	7.9%	+1.1pt
ROE (return on equity)	7.6%	8.0%	8.7%	9.0%	10.0%	+2.4pt
ROA (return on assets)	5.4%	4.3%	4.2%	6.2%	7.5%	+2.1pt
ROIC (return on invested capital)	5.5%	4.4%	4.2%	6.4%	7.9%	+2.4pt

[Targets by business segment] (¥100 million)		FY3/25 results (1)	Previously forecast	This forecast	FY27/3 plan	FY3/28 plan (2)	Change (2) - (1)	CAGR
Chemical Products Business	Net sales	660	640	625	680	740	+79	+3.9%
	Operating profit	50	39	35	55	60	+9	+6.1%
Textile Business	Net sales	485	435	435	450	490	+4	+0.3%
	Operating profit	0	-7	-7	6	12	+11	+152.0%
Advanced Technology Business	Net sales	219	222	232	240	270	+50	+7.2%
	Operating profit	33	30	34	34	40	+6	+6.2%
Food and Services Business	Net sales	104	105	110	112	112	+7	+2.3%
	Operating profit	7	7	7	7	8	+0	+3.4%
Real Estate Business	Net sales	37	38	38	38	38	+0	+0.7%
	Operating profit	22	22	22	22	22	-0	-0.6%

	Main priority measures	Main activities	
Chemical Products Business	Concentrate management resources on the high-performance plastic products and functional film businesses for semiconductor manufacturing-related and energy-related markets and accelerate business expansion.	<ul style="list-style-type: none"> The Kumamoto Innovation Center began operations in July 2025 despite the slow recovery of the market and sluggish business performance. We have strengthened our production and development system for high-performance plastic products to prepare for future phases of market recovery and expansion. Orders increased for packaging release films and dicing process films which were used in solar battery sealing materials for energy-related markets and related to semiconductor manufacturing. 	
	Develop new businesses in the field of industrial materials for the automotive and housing-related markets and deepen market penetration.	<ul style="list-style-type: none"> Profits remained strong due to lower raw material costs and improved productivity, although sales of flexible urethanes for automotive applications were affected by U.S. tariffs. In housing construction materials, heat-insulating boards performed well on the back of mandatory compliance with housing energy-saving standards. However, sales of housing materials were weak due to sluggish domestic housing demand and the U.S. tariffs on landscape materials for the U.S. market. We focused on developing new applications for non-residential buildings and cultivating overseas markets other than the U.S. 	
Textile Business	Promote development of proprietary technologies based on end-user needs and expand sales of proprietary technology products	<ul style="list-style-type: none"> Sales of high-performance cotton yarn NaTech, which utilizes raw material modification technology, remained strong. We focused on developing water-absorbing and quick-drying functions to further capture summer demand. Smartfit, a heat risk management system, showed sluggish growth, while sales of flame-retardant fabrics expanded. We proposed a “Fiber to Fiber” project in collaboration with a major fiber material manufacturer and others, and it was adopted as NEDO’s “Bio Manufacturing Innovation Promotion Project.” We participated in the establishment of the Consortium for Fiber to Fiber (CFT2), which would promote the project. 	
	Establish a global supply chain centered on overseas manufacturing bases.	<ul style="list-style-type: none"> We closed Anjo Mill at the end of July 2025. Production transfer to an ASEAN subsidiary was in progress. Business restructuring progressed, including the decision by an Indonesian subsidiary to relocate its plant from the Jakarta metropolitan area to Central Java. 	
Advanced Technology Business	Accelerate growth of semiconductor-related business and life science & technology business.	<ul style="list-style-type: none"> Semiconductor manufacturing-related concentration meters and wafer cleaning equipment performed well. We have strengthened cooperation with subcontractors for business expansion. Sales of agitation and defoaming equipment in the life science & technology business slowed, partly due to the U.S. tariffs. 	
	Develop markets for environment- and infrastructure-related businesses that contribute to solving social issues and strengthen profitability.	<ul style="list-style-type: none"> Orders for track material (rails, sleepers, etc.) inspection systems for railroads increased. In addition to the Shinkansen bullet train, we expanded to JR conventional lines and private railways. We developed and commercialized denitration equipment for industrial furnaces compatible with new energy sources (hydrogen, ammonia). 	

Semiconductor manufacturing-related areas: Functional films to cultivate deeply in the downstream process markets

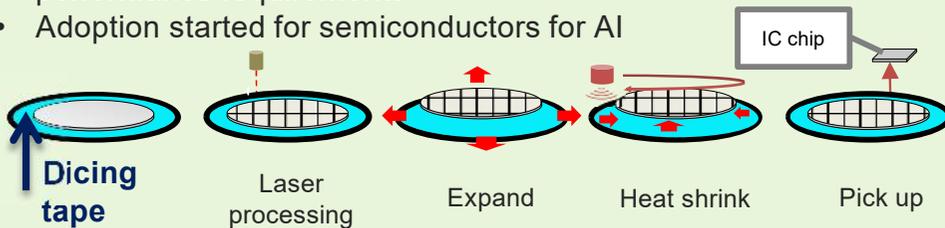


The downstream process of semiconductors is expected to grow in importance against the backdrop of the limitations of upstream process miniaturization. As the shift to advanced packaging continues to drive the market in various applications such as AI, data centers, and automated driving, functional films used in the semiconductor manufacturing process which we are focusing on are steadily further penetrating growing markets.

Example of functional film product for semiconductor manufacturing process

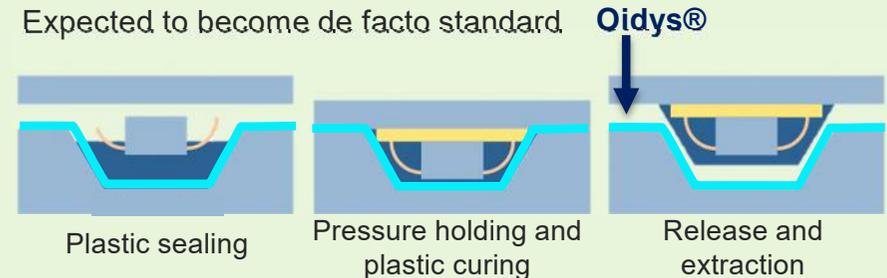
Highly functional film for dicing process tape

- Proprietary formulations and compositions to meet high performance requirements
- Adoption started for semiconductors for AI

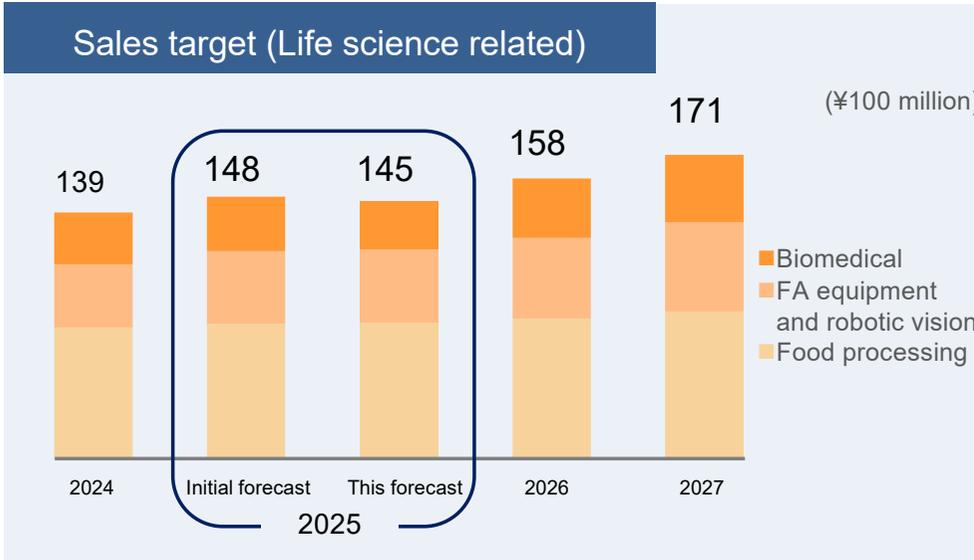


Oidys® packaging release film

- Adoption of high-bandwidth memory for AI increased
- PFAS-free release film
- Expected to become de facto standard. **Oidys®**



Life science-related area: Contribute to solving social issues such as health improvement and labor shortages through biotechnology and automation solutions

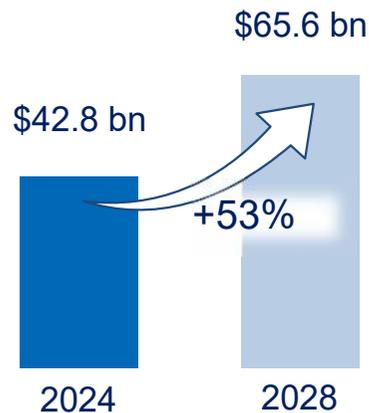


We will exhibit at **iREX** INTERNATIONAL ROBOT EXHIBITION 2025

- Schedule: December 3rd - 6th
- Venue: Tokyo Big Sight
- Booth: 12 Booths (approx. 105.85 m²)
- Exhibit description (plan):
 - Automated wire harness manufacturing
 - Automated drug dispensing
 - **Automated automotive parts assembly**
 - Automated research work (lab automation)



Robotics market size (global)



In the medium to long term, demand is expected to increase due to the growing global need for automation and labor saving against the backdrop of labor shortages and rising labor costs.

Source: Ministry of Internal Affairs and Communications, "White Paper on Information and Communications (2024 Edition)" (<https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r06/html/nd132200.html>, retrieved on November 14, 2025)

Examples of initiatives

Challenges in EV manufacturing process

- When charging, the stopping position is different each time.
- No scratches allowed on the finished car.

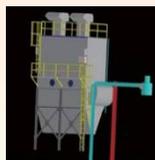
Automation solutions



Automated charging

- Kurasense corrects the angle of the power receiving port
- No damage to plugs, using accurate force sensors

- High-speed 3D vision sensor Kurasense



- 3D photogrammetric system Kuraves



- Railroad track and pavement inspection unit and tunnel inspection systems

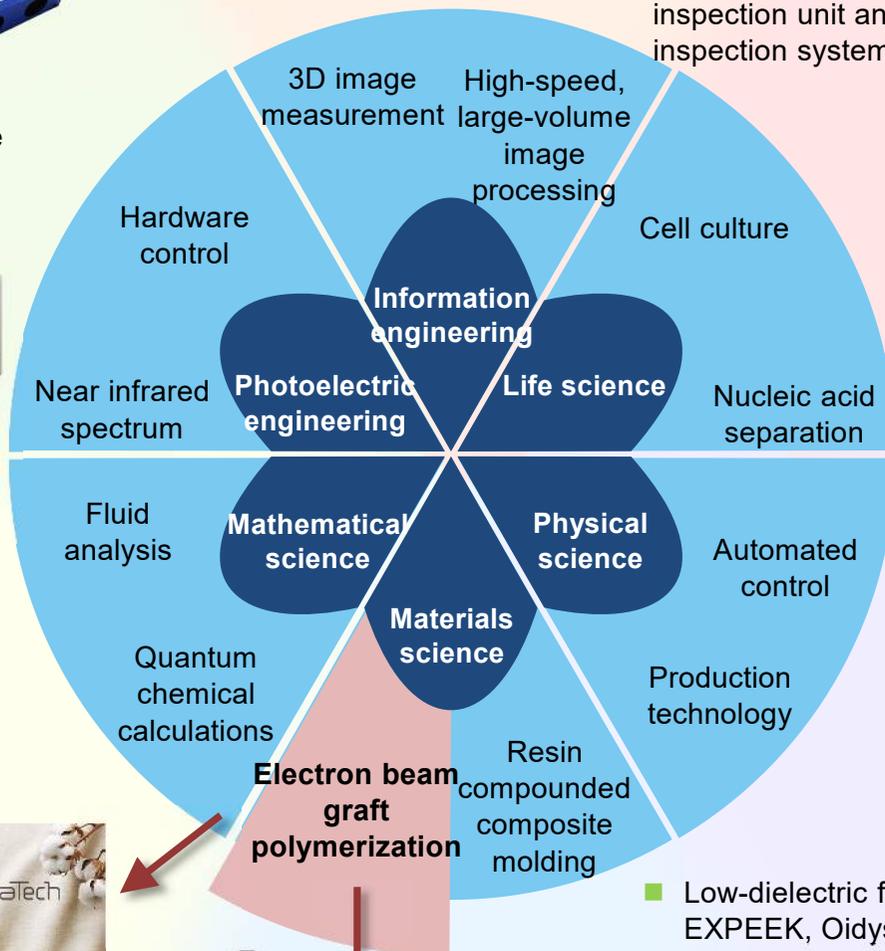
- Chemical Products Business
- Textile Business
- Advanced Technology Business



- Substrate appearance inspection device BBMASTER



- Concentration meter
- Film thickness gauge



- Nucleic acid extraction system QuickGene and GENE PREP STAR

- Agitation and defoaming equipment MAZERUSTAR



- Tokushima Biomass Power Plant



- Robot peripheral Kurabotte



- Functional cotton NaTech



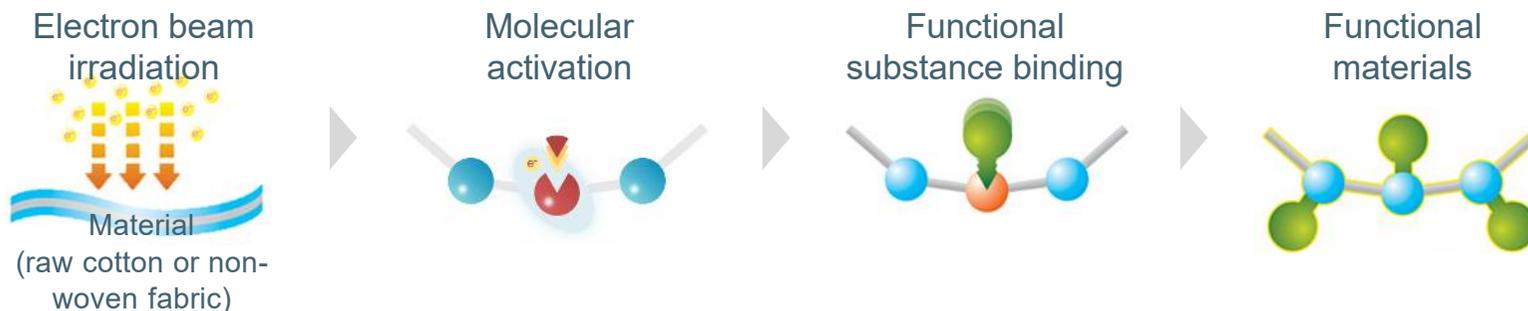
- Metal-ion removal filter KURANGRAFT

- Low-dielectric film EXPEEK, Oidys



- CFRTP materials

Modification technology that imparts new functions to polymer materials such as natural fibers by irradiating them with electron beams (radiation)



Electron beam graft polymerization equipment

Products that apply this technology

- Chemical products business
- Textile business



Raw cotton and other natural fibers



Moisture absorption and heat generation
Moisture absorption and desorption
Deodorization, etc.



■ Functional cotton
NaTech



Non-woven fabric



Ion capture



■ Metal-ion removal filter
KURANGRAFT

Metal-ion removal filter KURANGRAFT to increase production

Use

Filters that remove and reduce trace metal ions contained in chemicals used in the photoresist process of semiconductors.

Strengthening production capacity

Graft polymerization processing and cleaning at Shizuoka Plant of Kurashiki Textile Manufacturing Co., Ltd. Automatic cleaning equipment was also installed at the Kurabo Kumamoto Innovation Center, and production will begin during the second half of the fiscal year.

Target

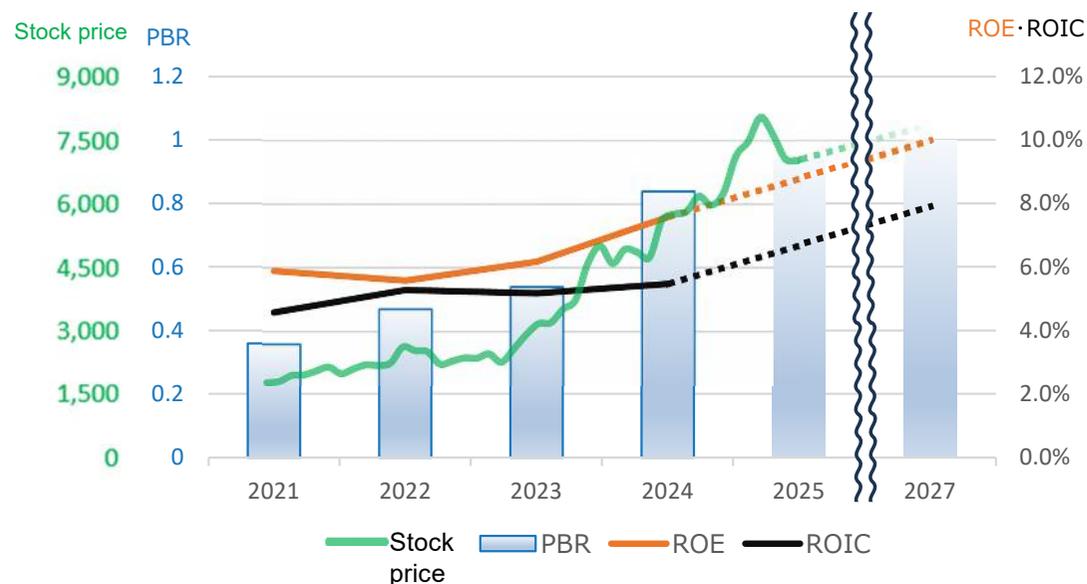
We aim to achieve annual sales of 500 million yen in the semiconductor manufacturing market.

- I Overview of Medium-term Management Plan Accelerate '27
- II Financial Results Overview for Interim Period of FY3/26
- III Performance and Outlook by Segment
- IV FY3/26 Forecasts
- V Progress in Accelerate '27
- VI Initiatives for Improving Capital Profitability**

Recognition of current situation

From April to August, our stock price was on an upward trend, reaching its highest level (¥8,770) in August since the reverse stock split in 2018. Since then, it has generally remained around ¥7,000, which corresponds to a P/B ratio of 1 ×, and we believe we have achieved a certain level of market valuation.

[Stock price, PBR, ROE, and ROIC over the past 4 years]



[End of FY2025]

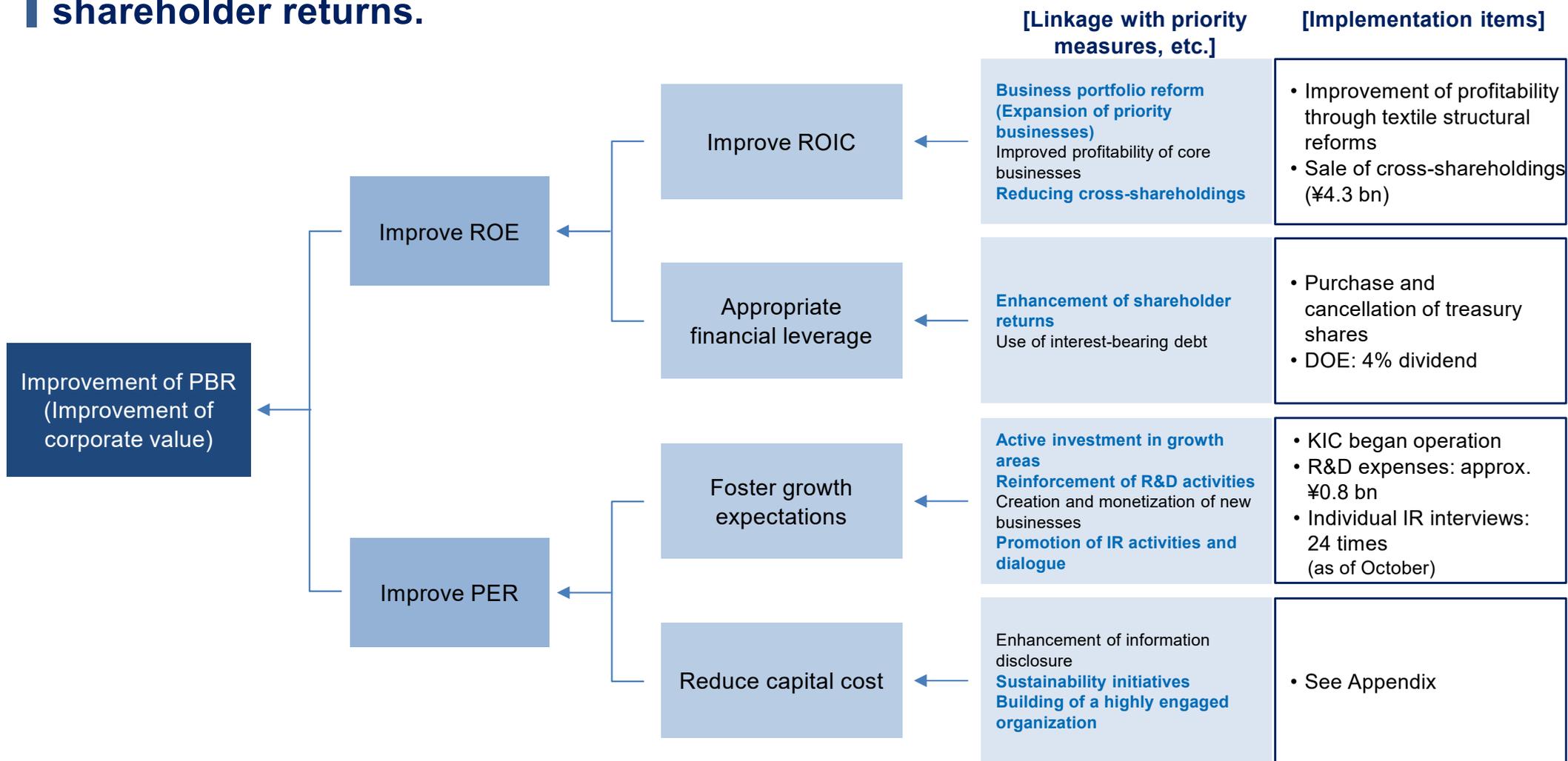
[Current status]

Stock price	5,960 yen	➤➤➤➤➤	7,000 yen range
			[Target]
PBR	0.84 ×	➤➤➤➤➤	1 × or more
ROE	7.6%	➤➤➤➤➤	10% or more
ROIC	5.5%	➤➤➤➤➤	8% or more
PER	11.55 ×		

Future policies

While understanding that the cost of shareholders' equity is in the range of 6–7% based on CAPM and other methods, we recognize that the return expected by shareholders is even higher, and our policy is to first aim for a stable **P/B ratio of 1 × or more** by **realizing an ROE of 10% or more**, which is the target of “Accelerate '27,” and **enhancing IR activities**.

We will continue to aim to increase corporate value (PBR) by conducting business portfolio reforms, reducing cross-shareholdings, and enhancing shareholder returns.



*Blue letters indicate items of particular impact (importance).



KURABO

Cautionary Note Regarding Forward-Looking Statements

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company believes to be reasonable, and are not guarantees of future performance. Actual results may vary significantly due to a variety of factors, including economic conditions in major domestic and overseas markets and fluctuations in foreign exchange rates.

The information contained in this material is for informational purposes only and is not intended as an offer, solicitation for investment, or recommendation to buy or sell any securities, financial instruments, or transactions. While every effort has been made to ensure the accuracy of the information contained herein, the Company does not guarantee the accuracy, completeness, fairness, or certainty of its contents. Therefore, we shall not be liable for any damages whatsoever resulting from the use of this material.

Appendix

[Basic policy]

The Kurabo Group believes that in order to contribute to a sustainable society, it must strive to improve its own corporate value on an ongoing basis. We will develop and expand high-profit businesses by creating high-value-added technologies, products, and services. In addition, in line with our management philosophy-

the Kurabo Group contributes to a better future through the creation of new value

-we will conduct business by keeping in mind the following four practices.

- ① **Contributing to the resolution of social issues through our businesses**
- ② **Carrying out business activities founded on an awareness of the need to protect the Earth's environment**
- ③ **Putting in place a workplace environment characterized by respect for human rights, worker-friendly policies, and an engaging atmosphere**
- ④ **Working to earn the trust of society and stakeholders**

[Materiality]

[Main measures]

[Relevant SDGs]

*Text in Blue denotes measures directly linked to sales growth and profitability improvement

Realize a safe, secure, and comfortable society

- Develop and provide products and services for the semiconductor market that contribute to the advancement of a digital society
- In response to a decrease in the working population, expand the factory automation and robot business, make production bases into smart factories, and build QR systems
- Conduct R&D and pursue an IP strategy to support innovative technology and advanced quality
- Expand sales of products that contribute to safety and security



Consider the environment and contribute to a circular economy

- Expand environmentally friendly products
- Build a circular business model
- Pursue initiatives towards carbon neutrality
- Develop technologies to reduce environmental impact
- Strengthen business continuity plan (BCP)



Empower a diversity of people and respect human rights

- Offer human rights education and closely monitor the supply chain
- Empower a diversity of people (pursue DE&I)
- Promote flexible work styles, improve worker engagement
- Thoroughly manage safety and health, promote health and management
- Increase productivity through automation and digital transformation



Strengthen governance and CSR for sustained growth

- Offer thorough compliance education, strengthen internal control
- Ensure sufficient communication with stakeholders
- Ensure thorough disclosure of non-financial information
- Manage with an awareness of return on capital and share price
- Have a business portfolio strategy, properly distribute management resources
- Strengthen business risk management



Long-term environmental goals of the Kurabo Group

The Kurabo Group will strengthen its system for reducing CO₂ emissions and promote specific measures to achieve the government's goals of a 46% reduction in CO₂ emissions by FY2030 (compared with the FY2013 level) and carbon neutrality by FY2050.



Initiatives

Initiatives toward a decarbonized and resource-recycling society

● Reduction of CO₂ emissions based on the carbon neutral roadmap

- ✓ Installation of solar panels (8 manufacturing bases including Kurabo Tokushima Plant, Mie Plant, and Thai Kurabo) resulting in a total CO₂ reduction of 2,700 t-CO₂
- ✓ Gasification of boilers and renewal of refrigeration equipment (Kurabo Susono Plant and Kamogata Plant, and Japan Jiffy Foods, Inc.) resulting in a total CO₂ reduction of 1,400 t-CO₂
- ✓ Introduction of electricity derived from renewable energy sources (Kurabo head office building) resulting in a total CO₂ reduction of 400 t-CO₂

● Promotion of effective use and recycling of resources

- ✓ Promotion of zero emissions of waste (recycling rate) targeting 97% for FY2026 (previous year's result: 96.3%)

● Identification of CO₂ emissions in the supply chain (Scope 3)

- ✓ Category 1–8 FY2024 results totaling 644,500 t-CO₂/year

Update

Work to “build a highly engaged organization” where each employee proactively contributes to the organization

	Indicators	FY24/3	FY25/3	Target
Accelerate '27 priority measures (4) Building of a highly engaged organization	Engagement score (deviation)	—	43.6	55.0 (End of FY3/28)
(1) Foster a vibrant organizational culture Promote DE&I, including spreading understanding of unconscious bias, actively recruiting and assigning women to work in the company, promoting understanding of LGBTQ+, actively hiring people with disabilities, and providing ongoing training for all employees to create a workplace free of harassment.	Percentage of women in management positions	3.0%	4.1%	5% or more (end-FY3/28)
	Percentage of women in new graduate career-track positions	45.0%	37.5%	30% or more each year
	Percentage of women in mid-career track hires	24.0%	27.6%	Not determined
	Percentage of divisions with female career-track employees assigned	44.8%	50.6%	50% or more (end-FY3/28)
	Employment rate of people with disabilities	2.69%	2.63%	Above the legally mandated employment rate
	Number of foreign nationals hired for career-track positions	1 person	5 person	Not determined
(2) Promote flexible work styles Flexitime systems, telework systems, and Increase of factory holidays; promotion of paid holidays; increase in male childcare leave utilization; office casual wear; renewal of factory uniforms; and promotion of health and safety management and health and productivity management	Average monthly overtime	9.1 hours	8.7 hours	Less than 10 hours (end-FY3/28)
	Number of days of paid leave taken	14.6 days	13.1 days	12 days or more (FY28/3)
	Percentage of male employees taking childcare leave	57.9%	73.1%	70% or more (end-FY3/28)
	Number of work-related accidents	9 cases	6 cases	None
	Obtaining of certification as an excellent health and productivity management corporation (deviation)	Certification (49.8)	Certification (57.1)	Deviation: 60 or above
(3) Secure and develop a diversity of human resources Use of agents and direct recruiting to strengthen recruiting capabilities, renewal of recruiting website, year-round, referral, and alumni recruiting, feedback to supervisors to ensure retention of training content, IoT promotion and DX utilization training for smart factory and business transformation	Percentage of mid-career employees in career-track hires	55.6%	64.4%	Not determined
	Internal training expenses per person	¥33,000	¥35,000	¥40,000 or more

At the Technical Research Laboratory, the core of our R&D, we will bring four projects- positioned as key next-generation businesses- into full swing in close collaboration with the business divisions.

Core technologies

Mathematical science	<ul style="list-style-type: none"> • Computational chemistry • Fluid analysis
Physical science	<ul style="list-style-type: none"> • Mechanical control • Production technology
Photoelectric engineering	<ul style="list-style-type: none"> • Spectroscopic measurement • Circuit design
Information engineering	<ul style="list-style-type: none"> • Image processing • AI perception
Materials science	<ul style="list-style-type: none"> • Surface modification • Converting
Life science	<ul style="list-style-type: none"> • Nucleic acid separation • Cell culture

Projects	R&D expenses	Products
<p>Robot sensing</p>	¥0.8 bn	High-speed 3D vision sensor KURASENSE, Pavement inspection unit and tunnel inspection systems, Robot peripheral Kurabotte
<p>Semiconductor solutions</p>	¥1.3 bn	Low-dielectric film EXPEEK, Oidys, Chemical Concentration meter
<p>Life science & technology</p>	¥0.5 bn	Nucleic acid extraction system, QuickGene and GENE PREP STAR
<p>Material solutions</p>	¥2.0 bn	Functional cotton NaTech Composite materials
Other	¥1.4 bn	Total ¥6.0 bn (cumulative 3-year total)