

# KANEKA

1-12-32, Akasaka, Minato-ku, Tokyo 107-6028, Japan  
Tel: +81-3-5574-8000 Fax: +81-3-5574-8121

2-3-18, Nakanoshima, Kita-ku, Osaka 530-8288, Japan  
Tel: +81-6-6226-5050 Fax: +81-6-6226-5037

Kaneka Integrated Report 2025



Sustainable Solutions for an Evolving World.

# KANEKA REPORT 2025

Kaneka Integrated Report

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# The Dreamology Company

—Make your dreams come true—

## Trial & Error experiment driven company

KANEKA thinks “Wellness First.”

Kaneka contributes to the sustainability of the earth, develops its business in a “wellness-first” direction, energizes people, adds vibrancy to business, and helps build a happier society.

To make the world more wellness-first.

Kaneka takes an innovative approach to science, and seeks to fulfill people’s dreams by offering a wide variety of solutions.



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Global Strategy/Think Global, Act Local

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# Untoko-sho, dokkoi-sho : The Kaneka Way



**Kimikazu Sugawara**  
Chairman and Representative Director

## The Story of “*Ōkina Kabu*”

I have always loved children's literature and often read picture books and fairy tales.

You might think this is a far-fetched story to start with, but I quoted “*Ōkina Kabu*” because I believe it’s a good example of analogical thinking that matches the Kaneka Way.

Among the many versions, the picture book retold by A. Tolstoy, illustrated by Churyo Sato, and translated by Risako Uchida is truly captivating. Fairy tales always nurture a sensitivity that helps us never lose hope and maintain a pure heart.



“*Ōkina Kabu*”  
Retold by A. Tolstoy, translated by Risako Uchida,  
illustrated by Churyo Sato  
(Fukuinkan Shoten Publishers)  
The passage included in the body text is a brief,  
explanatory retelling of the Japanese story  
“*Ōkina Kabu*,” known in English as “*The Gigantic Turnip*.”

“*Ōkina Kabu*” is hinted a kind of power of “Humanity.”

A turnip that an old man had planted grew into an extraordinarily large one—plump, lively, and even sweet.

The old man tried to pull it out of the ground, calling out, “Untoko-sho, dokkoi-sho, (\*)” but it would not come loose.

So he asked the old woman to help, and the two of them pulled together, yet they could not pull it up.

Next, she called their grandchild. The grandchild called the dog, and the dog called the cat. They all pulled with all their might, yet they could not pull it up.

At last, the cat went to fetch a mouse...

“Untoko-sho, dokkoi-sho,”

When everyone worked together, they finally pulled the turnip out.

In some folk versions, the story ends with everyone happily sharing a meal made from the turnip they pulled up together.

\* A traditional Japanese call used to synchronize effort—like saying “heave-ho” as everyone pulls together.

## Trust and Bonds

Business, like “*Ōkina Kabu*,” is not a solo journey but a team effort.

All colleagues work wholeheartedly, sweat together, and joyfully share the harvest with gratitude and prayer.

This reflects a traditional Japanese way of life.

“Trust People & Mutual Respect.”

As trust and bonds resonated, they turned into water, flowed into rivers, and gave rise to fertile land.

That is, in the Kaneka Way, “Work” is regarded as an “anthem to humanity” that grows through Kokorozashi(\*1) and colleagues.

In this sense, the fairy tale “*Ōkina Kabu*” can almost be read as a stylized version of Kaneka’s business model.

\*1 An unwavering resolve toward higher ideals

## Another Stylized Perspective of the Kaneka Way

One morning upon waking, a whisper crossed my mind like a voice from heaven.

It was the moment a different analogy was born.

Is this a kind of “*I Wake Up Every Morning to Dream*”

(Haruki Murakami)(\*2) phenomenon?

The story unfolds as follows.

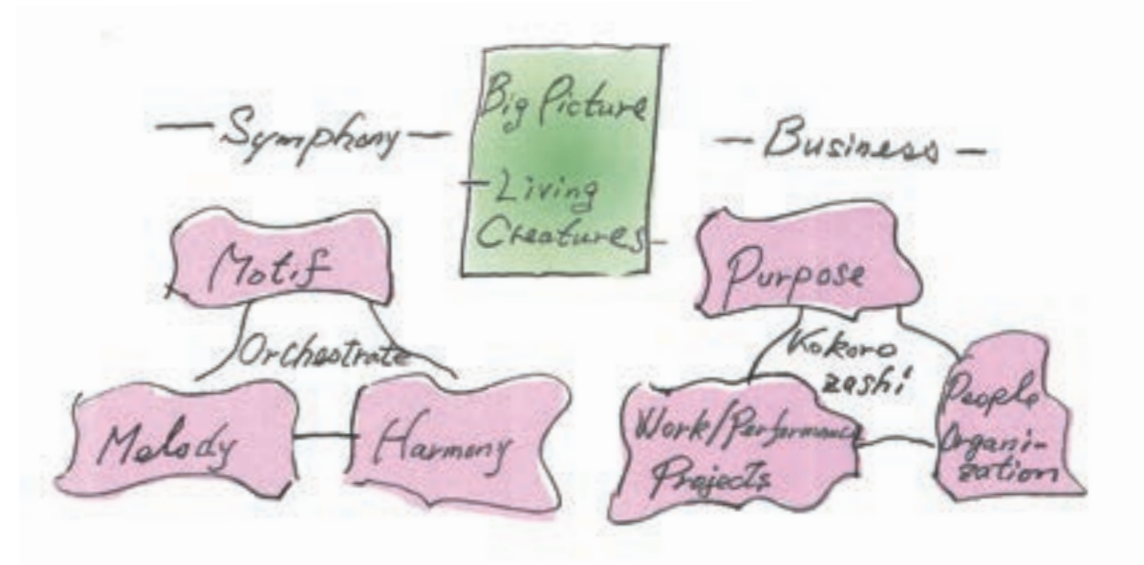
The idea was to compose Kaneka Way’s symbol,

“Initiative 26” (what is known as a mid-term plan), as a symphony.

In short, I recognized the structural similarities between business and music and explored the playful mental exercise by editing the Kaneka Way as a symphony. I was intrigued!

\*2 Haruki Murakami, “*I Wake Up Every Morning to Dream: Haruki Murakami Interview Collection 1997-2011*,” Bungeishunju (Bunshu Bunko), 2012

## Structural Relationship Between Symphony and Business



The symphony’s motif represents the purpose and philosophy of “Initiative 26”; the melody represents how we advance our work and our mindset; the harmony represents the state of mind of people and organizations; and Kokorozashi is the leadership that orchestrates them.

Business as a symphony layers multiple sounds that resonate in the hearts of colleagues and generate performance as if it were alive.

I wanted to visualize this concept as a “triangular model.”



### The Prologue of "Initiative 26"

The prologue, structured through this conceptual framework, has been organized according to the table of contents that follows. I have tried to arrange the goals and Kokorozashi that "Initiative 26" aims for in a symphony-like way.

Motif	Change! Journey of Hope		
Melody	Kaneka Way —First Movement— Reflect on the Whole	Kaneka Way —Second Movement— The World Is Eagerly Awaiting You	Kaneka Way —Third Movement— Narrative for Dramatic Change
Harmony	Kaneka Spirit —Final Movement— Human Driven		

### Putting Culture Front and Center in Management

The prologue of "Initiative 26" that follows represents Kaneka's view of its culture—the Kaneka Way.

Management places this sensibility at the center of its activities.

Now, let us begin.

People grow through "Kokorozashi and colleagues."

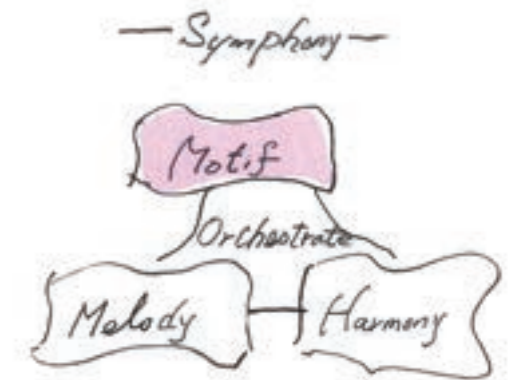
We want to do meaningful "Work" that truly serves society.



—If I wasn't hard, I wouldn't be alive.  
If I couldn't ever be gentle, I wouldn't deserve to be alive—  
Detective Philip Marlowe

### Motif

### Change! Journey of Hope



### We must never stay in the same place, even for a moment

—Spread your wings of free courage and curiosity, and leap—  
Think globally, 24/7, 360-degree view, spanning the earth

### I. Change! Yes, You Can

I took a detour into the world of Greek mythology.

I thought, "If I take a different path than usual, maybe I'll discover something new."

Thunder struck. Then a voice from the above spoke:

"Hope is trapped in Pandora's Box. The 'Initiative 26' is an attempt to free 'Hope' from Pandora's Box."

In response to that voice, I named "Initiative 26" as "Change! Journey of Hope."

In Greek mythology, the "Hero's Journey" is a recurring theme—overcoming hardships and becoming a new self.

"Survive" is defense against threats;

"Thrive" is the departure toward hope.

From "Survive" to "Thrive."

All right, let's go for it.



## II. Pandora's Box

That's the story.

Pandora was the first woman created by Zeus, the all-powerful god.

He gave her a box—later known as Pandora's Box.

Inside were all the calamities of humanity:

disease, conflict, and more.

Pandora, out of curiosity,

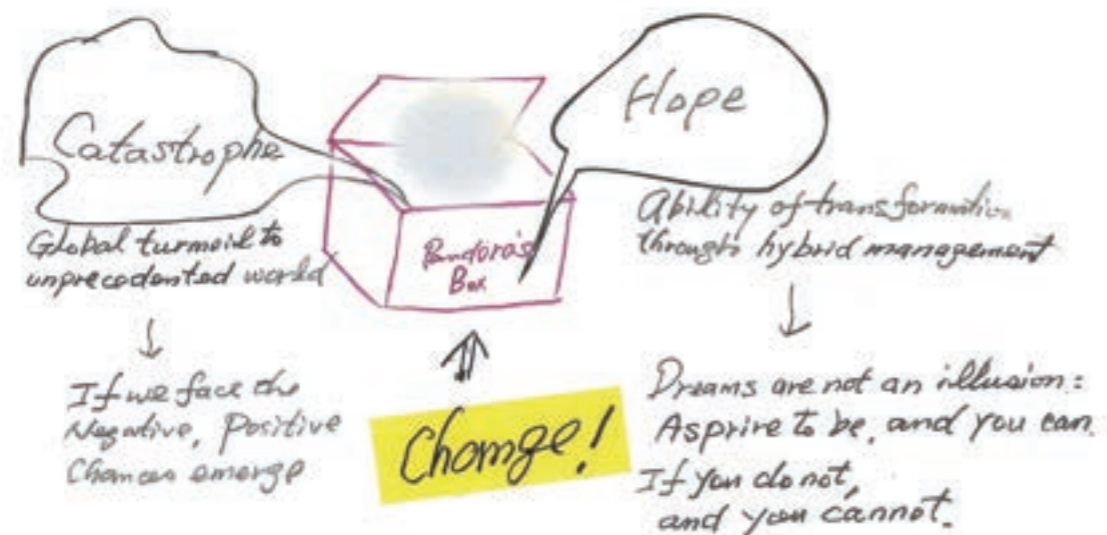
broke her promise and opened the forbidden box.

Calamities flew out,

spreading misfortune across the world.

Panicking, Pandora closed the lid,

leaving only "Hope" at the bottom of the box.



## III. It's Okay—Those Feelings Will Surely Be Conveyed

Chaos and Anarchy are spreading in the 21st century.

The flames of war are spreading as well.

Now is the time to release "Hope" from Pandora's Box.

I have to create a place for "Hope."

I started on the prologue to "Initiative 26."

Kokorozashi lies in what Raymond Chandler spoke of: "If I wasn't hard,

I wouldn't be alive. If I couldn't ever be gentle,

I wouldn't deserve to be alive."

Welcome to the Narrative of Hope.

## IV. Change and Discover the Future

We are living in a time of change.

Our everyday "Work" is change.

We are managing our portfolio with an emphasis on the following 3Ps.

- Purpose (soulful commitment)
- Practice (serious engagement)
- Publish (outward communication)

## V. The New Frontier Created by Chemistry

Chemistry plays a vital role.

It is a driving force behind national growth.

It shines across every corner of society.

It makes a real difference.

Chemical innovation has the power to solve social challenges and open up uncharted markets.

Kaneka studies "life" through chemistry.

By exploring the mysteries of life on Earth, we aim to nurture life and support society.

Opportunities for discontinuous growth lie ahead.

We will continue to deepen our pursuit of "Life focus management" and the "chemistry of life."

We are shifting our management resources to life sciences.

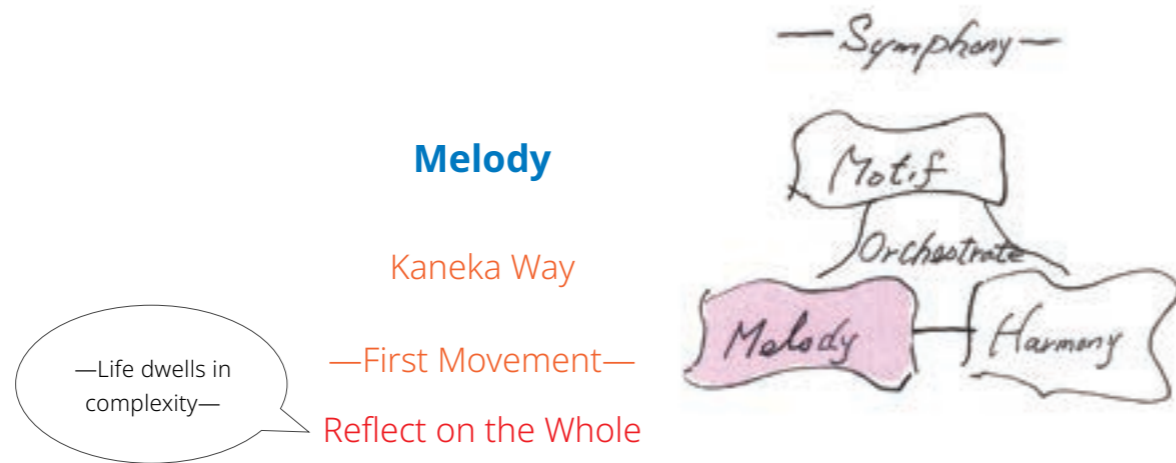
- Kaneka biodegradable polymer Green Planet™
- Genome editing technology, biopharmaceuticals, regenerative and cell medicine
- Organic dairy products business, supplements, and fermentation culture process technology

Kaneka's "biomanufacturing," PV technology, and medical devices are all connected to the big "life," that is, life on Earth.

The words of Martin Rees— "Before we are no longer able to live on the Earth"—strike a deep chord.

We will continue to take on challenges.





**I. See the Whole, Not Just Analysis**

Business is a living organism.  
 If you break down and analyze complex business challenges into isolated factors without an entire view, you lose the holistic intelligence of the business.  
 It's like dissecting a live fish.  
 Loss of life; the living essence is destroyed.  
 Business has a formula for victory:  
 Connecting the parts and perceiving the whole.

**II. The Birth of the Intuitive Idea Craftsperson**

No—it's not just that.  
 As complexity grows, the systems acquire will of their own.  
 It begins to assert itself on its own and can no longer be managed or controlled.  
 The Kaneka Way exists to inspire and ferment your colleagues, organizing a group of idea craftsperson who act on intuition, inspiration, and sixth sense.  
 It means to refuse to view business—complexity itself—solely in terms of technology or how-tos.

**III. The Key Is Kokorozashi**

Let me repeat myself.  
 The reason we may not be able to solve the issues hidden within “complexity”—businesses, markets, and social systems—is that, without a holistic view, we keep breaking the “giant machine” down into smaller parts.



The whole is not simply the sum of its parts.  
 So this is where the Kaneka Way begins through “Kokorozashi”:  
 I am determined! I am engaged!  
 No matter how good the idea, if you don't think about the whole with strong “Kokorozashi,” nothing can be solved.  
 Don't overthink—just act.  
 Start quickly, proceed, and continue.

**IV. Sensitivity Is Lacking. That's No Good**

See, feel, notice, and put your thoughts into it.  
 Watch carefully the city and the site.  
 Don't miss observation and insight.  
 If you only look at dots or parts, you'll lose focus or miss the mark.  
 You can't even form a hypothesis or lead people.  
 What they care about is not being told “that's good,” but making people say,  
 “I like it, I want to buy it, I want to use it.”  
 Focus on that.  
 Idea craftsperson doesn't look for reasons to act.  
 If it doesn't work, they move on to the next step immediately.



**V. Make a Guess**

Rather, how about thinking like this?  
 A plan is about finding the fabulous “what ifs.”  
 Like a fisher worker or a hunter, make a guess.  
 Good planning is about encountering favorable coincidences.  
 Fortune comes wearing the mask of misfortune.  
 Today's misfortune will turn into tomorrow's serendipity.  
 You are the one who moves mountains.

**VI. Approach the Core from Small Fragments**

If you want to change results, review your habits.

24/7, 360-degree view.

Set up antennas. To find meaningful information in the vast sea of data, this is how every day begins.

There are three mindsets:

1. Even if the information is just small fragments or limited, see through to the core. Make this perspective a habit. Sensitivity can be refined through conscious habituation.
2. And resilience. Even when caught off guard, anticipate and keep moving forward. Enterprises must not stand still.
3. Always be aware of priority, dynamism, speed, and scale.

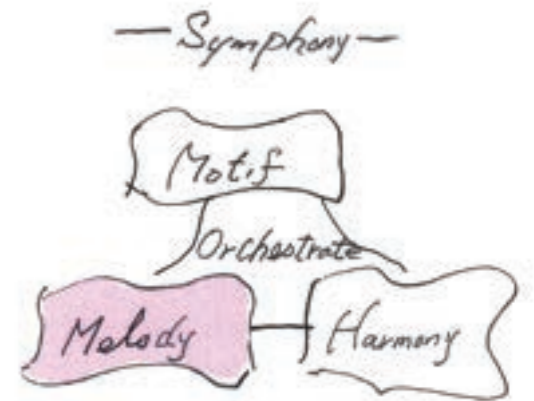


**Learn from Zico**

Zico was a god of management.

(Belief) Only by fulfilling our responsibilities can we become a true “familia.”

1. A group of friends is not “familia.”  
There must be distance between coach and players.  
The club is the foundation for both coach and players.  
Without the club, there are neither coach nor players.
2. Do simple, small things properly. Strive to win, be desperate.  
Showing that to supporters and stakeholders is what makes a professional.  
Winning creates unity and cohesion. Winning grows the club.
3. Zico Spirit  
Devotion: play selflessly for the team.  
Sincerity: listen openly.  
Respect: respect everyone: opposing team, teammates, coaches, and supporters



**Melody**

Kaneka Way

—Second Movement—

The World Is Eagerly Awaiting You

**I. Live Impermanence**

—Voice from the above—

“What are you hesitating for? Enterprises must adapt to new environments without delay.

If you just stand still and do nothing, you’ll become a fossil or a zombie.

Dinosaurs probably disappeared like this.”

All things in the universe never stay the same for even a moment.

Impermanence—nothing lasts forever.

Impermanence is a teaching to live through change.

You have with strong “Kokorozashi to Win”

You gather those with same “Kokorozashi,” and live impermanence.

You realize the future.

**II. To Live Is to Change**

The speed of change is a roller coaster.

Innovation. Changing values.

Uncertainty. Discontinuity.

What was familiar, what was taken for granted, is disappearing.

For example, democracy, perhaps even freedom, equality, human rights, and even “human life” and “earth’s life” are at risk.

War, divided world, severance of bonds, energy and food crises.

Past winning formulas no longer work.

We are being tested: “Can we change?”



### III. Focus on “Now”

No matter how much you resist, you can't undo the past.  
The point is, the future is not determined by the accumulation of the past, but by accumulation of “now.”  
Unlike the past, which cannot be redone, “now” can be changed.  
The clock's hands always point to “now.”  
Start the day.  
Take a step forward.



### IV. Say You'll Do It

A single word can change a person.  
If there's something you want to do, first say “I'll do it.”  
And if you say you'll do it, do it.  
Dare to climb over the fence.  
If you wish, you can do it.  
If you don't wish, you can't.  
Let go of one thing.  
Gain one thing.  
It's never too late to start what you wanted to do.

### V. Can't Do It? Throw Away Such Self-Limitation!

Everything will work out somehow.  
In any situation, tackle it as “Work,” not “Problem.”  
That attitude brings solutions.  
Work earnestly and do your best.  
Even if things don't go as initially hoped, the situation will always improve.  
Everything will work out.  
You can't score if you don't shoot.



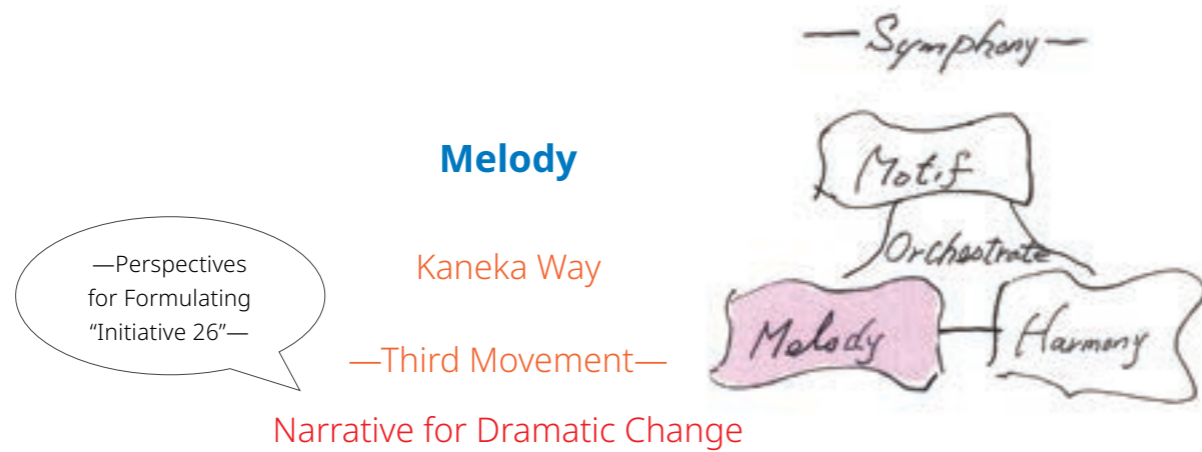
### VI. Are You an Extra One Miler?

Is it outside the strike zone?  
But that's within my range.  
In an era of discontinuous change, even if it's different from your immediate interests, always keep your antenna up.  
Don't be dragged only by immediate concerns.  
Before you know it, you'll become a shallow, narrow person.  
Even if it's outside your strike zone, don't miss the encounter.  
Make sure to take detours.  
In America, such mavericks are called Extra One Milers.  
For the team, give your all on the verge of victory or defeat.  
No hesitations to sacrifice yourself.  
How many such members are on your team?  
The outcome of the game is decided here.

### VII. Raise Clarity with “Surfing” of Art

See, feel, notice—people with artistic sensibility will thrive from now on.  
Not through technical theory or how-tos alone,  
but by elevating issues into opportunities with intuitive “sixth sense”.  
Make paradigm shift from “mountain climbing” to “surfing” in strategic thinking.  
But also, about raising the clarity of the issue.  
A blurry world is like shooting arrows in the fog.





**I. Start from the Issue**

A good plan is determined by the correct choice of issue.

If you get the entry wrong, you won't reach the right answer.

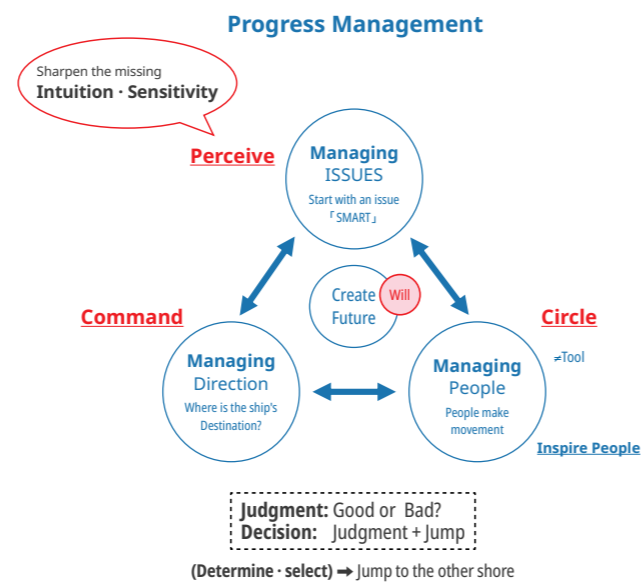
An issue—a good challenge—is:

1. A big challenge, meaning that solving it creates dynamic value
2. A challenge that brings returns when solved
3. Break down into small challenges and tackle the one with the greatest impact first

**II. Progress Management**

Visualize Progress Management (Transparency), which consists of following three Managements.

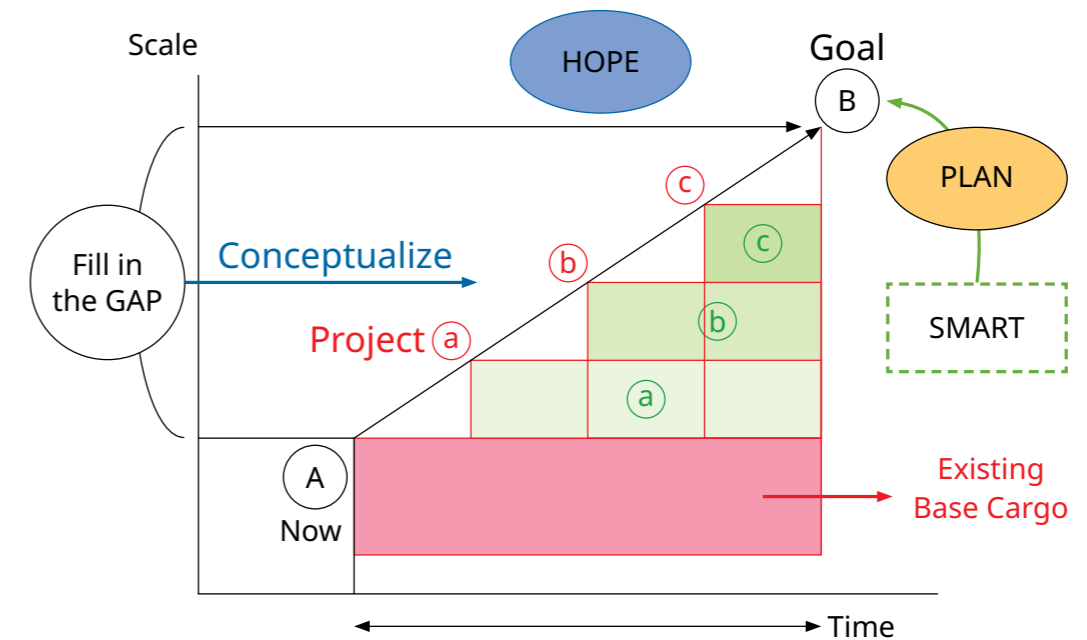
1. Managing Issues: Structure issues
2. Managing Direction: Prioritize issues, and propose a vision for speed and dynamism
3. Managing People: Inspire colleagues and move things



**III. SMART Way**

Turn business activities into projects.

1. Define the Goal (destination)
2. Define major themes by bundling individual challenges that fill the Gap into concepts
3. Structure the major themes and break them down into SMART (Specific, Measurable, Actionable, Realistic, and Time-limited) projects
4. Decide the project deadline with its "Owner"



**IV. Check Small Things!**

A kingdom falls for want of a nail.  
 For want of a nail, the shoe was lost.  
 For want of a shoe, the horse was lost.  
 For want of a horse, the rider was lost.  
 For want of a rider, the battle was lost.  
 For want of a battle, the kingdom was lost.  
 And all for the want of a horseshoe nail.

**V. Belief**

- 1. Do right            Act fair and square. Your actions are seen
- 2. Transparency    Make information transparent so that all colleagues can fulfill their roles, regardless of position or affiliation
- 3. Fairness            Discard fixed ideas and preconceptions.  
                               All colleagues are equal

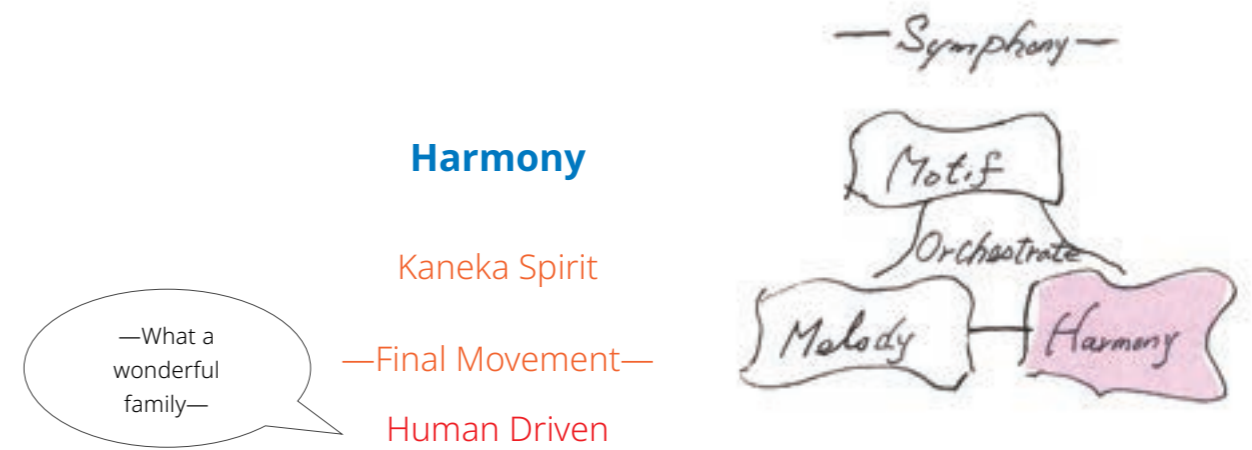
**VI. Everything Is Because of Me**

Questions for leaders.

Because of Me

Taking full responsibility for everything is never easy.  
 However, if we keep that mindset as we move forward,  
 we can grow as professionals  
 and as human beings.

- Are you determined?
- Are you engaged?
- Are you committed?



**I. “The Future” Is Already “Within You”**

Let’s talk about the future.  
 Look at a single tree. It bears many fruits,  
 some of which eventually burst open and scatter as seeds.  
 Others, carried by birds, take root far away and become great trees.  
 Isn’t a person’s future just like this tree?  
 Everything depends on what you do now.  
 The clock’s hands always point to now.  
 Rather than taking the flat road, dare to climb over the fence!

**II. Discover Future 100 Years!**

What a wonderful Kaneka family!  
 What a wonderful world...  
 This song is “What a Wonderful World,”  
 sung by the father of jazz, Louis Armstrong,  
 nicknamed Satchmo  
 Like “We Are the World,” I love this song so much that  
 I think of it as the Global Kaneka Song.  
 It’s the anthem of Global Kaneka.  
 So sometimes, I play with the words and say,



“What a wonderful family of Kaneka,” because I think Kaneka truly is.  
I believe so from the bottom of my heart.  
One day, that person will be gone.  
One day, I will be gone, and so will my friends.  
But that tree will not disappear.  
Nor will the stones or soil beneath the tree.  
You are here, and you will carry it forward.  
An enterprise is a Never-Ending Story.  
I know you, you know me.  
The empathy of friends around the world resonates.

### III. Read the Heart of Poetry

A good poem frees people's hearts.  
When you say, “It's cold,” and someone replies, “It's cold” that warmth  
—Machi Tawara, “*Salad Anniversary (\*)*”  
A small trigger can move a person's heart.  
Machi Tawara has expressed this richness.  
Hidden emotions come out as they are.  
The Year 2026 begins.  
Kaneka walks through the forest of “the poetic heart.”

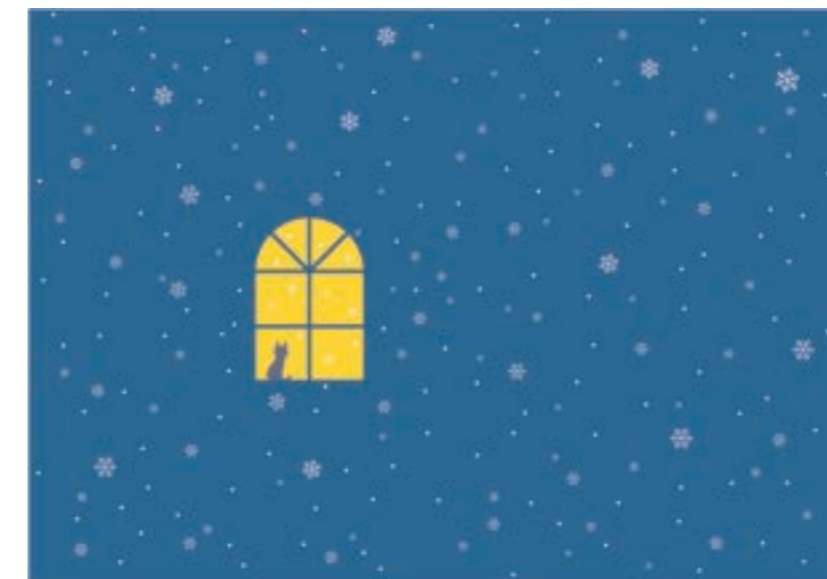
\* Machi Tawara, “*Salad Anniversary*” KAWADE SHOBO SHINSHA, 1987

## Gratitude and Prayers

The god of management is in the details.  
Each and every thing that happens in the field, each and every change in each  
and every person in the field is management itself.  
Management is about shining a light on the details and moving the whole thing forward.  
I aim to stay close to the field and go back and forth between the whole  
and the parts, anticipating the change in the times.

Nothing would make me happier than for you to read this report  
and understand the realities of management on the ground.

Over the past year, we have also been engaged in “Human-Driven Management.”  
I am reporting this with gratitude and prayers for all of you.



### “Declaration of Kaneka United”

#### 1 Corporate Philosophy

With people and technology growing together into creative fusion, we will break fresh ground for the future and tie in to explore New Values. We are also committed to challenge the environmental issues of our planet and contribute to upgrading the quality of life.



#### 2 Corporate Ideals

##### Toward an Even More Impressive and Productive Future

Hold in your hands the future you have always dreamed of. We are a highly perceptive and collaborative value-creating group or, as we like to say, a “Dreamology Company.\*” We want to look at the future from the same perspective as our customers. The future that Kaneka visualizes is one that connects us with our customers.

\* “Dreamology” is an expression coined from ‘dream’ and ‘ology’ (science). Our “Dreamology Company” is a “highly perceptive and collaborative value-creating group.”

Five “ties”

1. Tie to the future	As a research and development company brimming with creative energy and passion, we will create future-oriented businesses that leap beyond current market needs and back them up with new product development, thus protecting the global environment and contributing to the quality of life.
2. Tie to the world	We are determined to become a truly global enterprise with diverse human resources working together on a global scale. Our presence will be felt in markets around the world, including newly emerging ones.
3. Tie with value	We are proud of our unity and identity as the Kaneka Group and will take on the challenges of value creation and business innovation through close collaboration.
4. Tie for innovation	We will never cease to pursue innovation, fusing wisdom from both internal and external sources without getting caught up in organizational compartmentalization and conventional ways of doing things.
5. Tie with people	We in the Kaneka Group believe that the wellspring of corporate growth resides in human resources and will continue to seek innovation as we cultivate and nurture our valued employees.

In 2018, Kaneka Group established the ESG Charter, aiming to evolve its ESG management.

#### 3 ESG Charter

##### Putting the Corporate Philosophy Into Practice

1. We offer solutions characterized by value to global markets and contribute to the evolution of lifestyles and the environment through innovative chemistry.

- ① We bring innovation to lifestyles and the environment by harnessing the unlimited potential of chemical materials to help communities achieve sustainability. (Earthology Chemical Solution)
- ② By adopting a unified approach to food and medicine that is defined by a focus on chemistry, we provide innovative solutions that empower people to live healthier lives. (Active Human Life Solution)

2. We fulfill our social responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking effort.

- ① We actively contribute to our communities by cultivating understanding of the cultures and customs of the countries and regions where we do business and by pursuing corporate activities that are deeply rooted in those communities.
- ② We operate our businesses in a fair and impartial manner based on the principles of free competition and legal compliance.
- ③ We’re committed to communicating with shareholders and other stakeholders and to making information about our operations available in a timely and appropriate manner.
- ④ We strive to foster an organizational culture that respects the personalities and uniqueness of all employees so that they can enjoy good health, feel motivated, and make the most of their abilities.
- ⑤ Reflecting a commitment to make safety the top priority in our operations, we work to create safe and healthy workplaces, ensure product safety, and protect and preserve the environment.

As good citizens, we look towards the same future as all stakeholders from the same viewpoint.

Based on the “Declaration of Kaneka United,” we provide valuable solutions through our mission of Kaneka thinks “Wellness First.”



#### WE SUPPORT



#### Support for the United Nations Global Compact

In March 2015, Kaneka Group became a signatory to the United Nations Global Compact. The UN Global Compact is a voluntary code of conduct through which the top management of signatory companies commit themselves to take action aimed at achieving ten principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. As Kaneka Group with a global network, we actively share information about our commitment to global sustainable growth as a responsible corporate citizen with our stakeholders and the international community.

### Purpose Management and Three Value Drivers

The backbone of our innovation consists of two management systems: “Kaneka Tower” and “Triple package as management system transformation.”



#### Kaneka Tower

Key basic structure of our management model  
-Its viewpoint and perspective (what is valued)-

#### [Purpose]

#### Ability to grow tall

Kaneka as a “Trial & Error experiment driven company”

- ESG management
- “Wellness First” health management

#### [Value①]

#### Inner strengths

- Diversity**  
Broad business domains/Diverse range of technologies/Global corporate activities/Diverse workforce
- Shift from materials to solutions**
- Serve as an interface between markets and technology**
- From small to big**
  - Start small and grow big
  - Cell division through clustering
  - Born small, Grow Big!!
- “Kaneka 1-on-1”**  
Facilitate personal growth through employees’ job performance

#### [Value②]

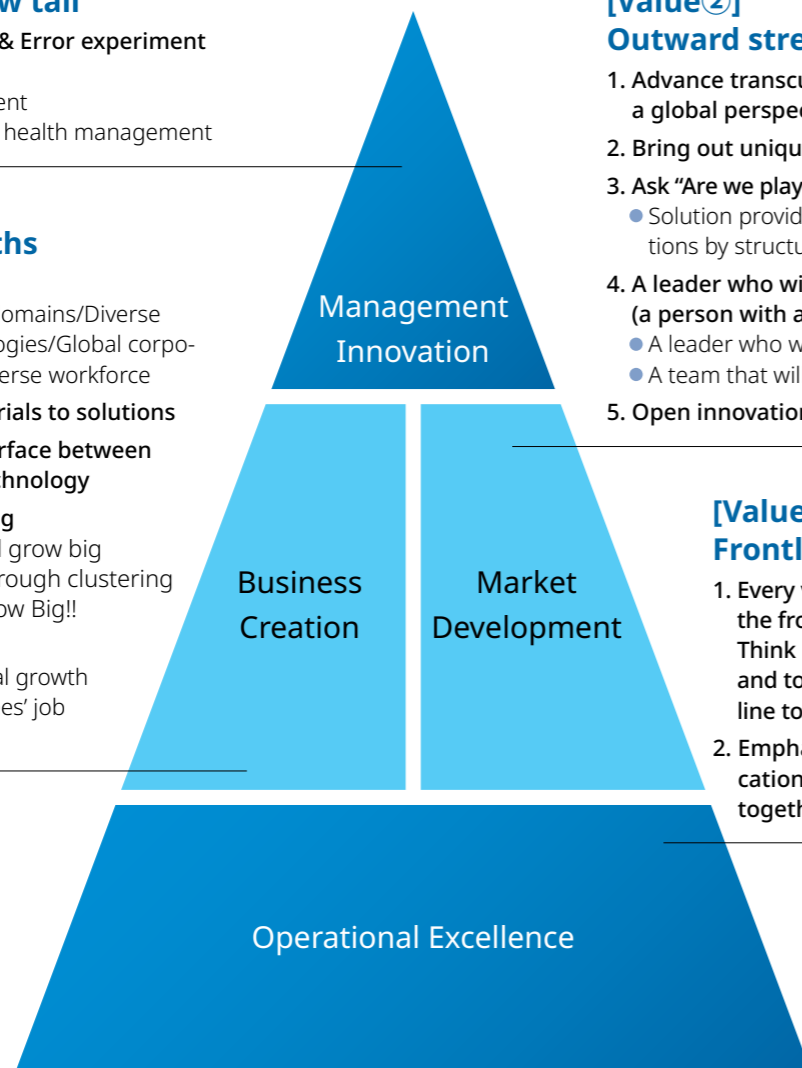
#### Outward strengths

- Advance transculturation from a global perspective
- Bring out uniqueness
- Ask “Are we playing a useful role?”
  - Solution provider that provides solutions by structuring customer needs
- A leader who will face challenges (a person with an edge)**
  - A leader who will influence people
  - A team that will unite to tackle issues
- Open innovation

#### [Value③]

#### Frontline execution

- Every value is created on the frontline  
Think by seeing, hearing, and touching on the frontline to make decisions
- Emphasize Value Communication to link the frontlines together



Don't Forecast the Future, Plan It  
Demonstrate Adaptability

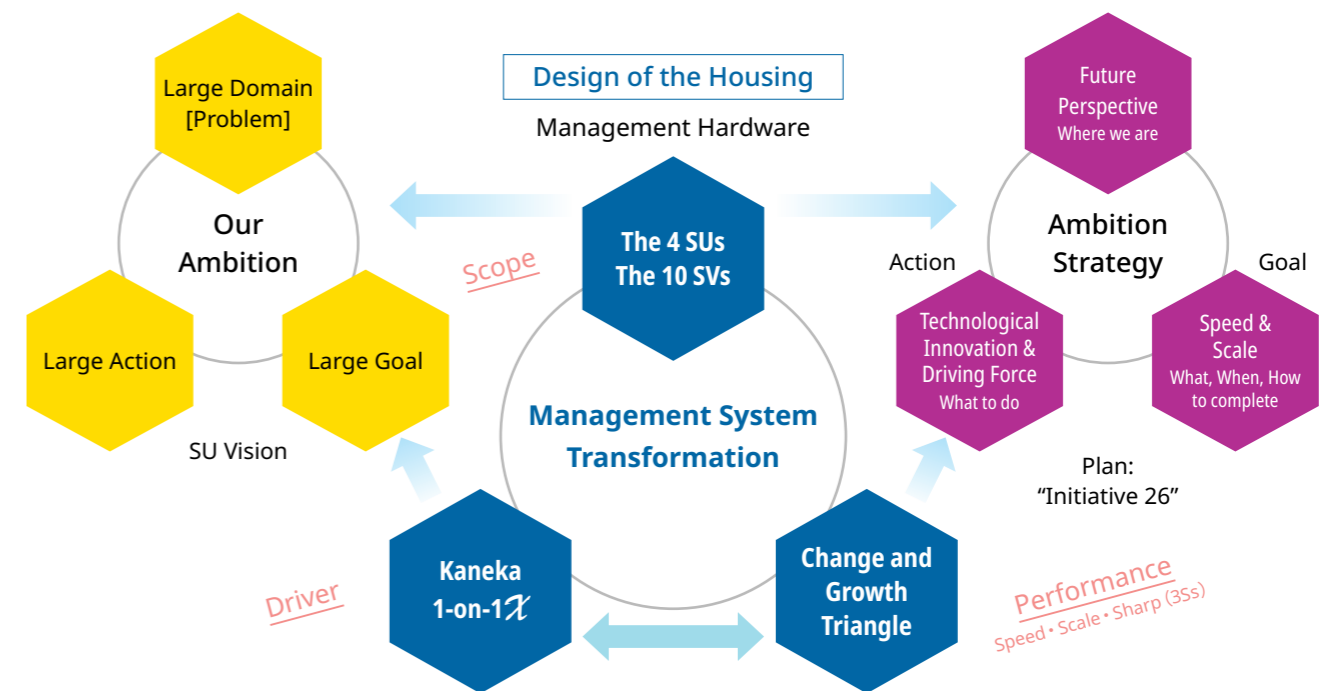
#### Trial & Error experiment driven company

We try new things without fear of failure.  
We enjoy answers produced from accumulated experiments.  
We continue to be a “Trial & Error experiment driven company,” creating unique solutions.



#### Management System

Triple package as management system transformation  
Further accelerate transformation to a solution provider based on a new management system



Leadership that lights a fire in people's hearts

《Management Software》  
Implementation of the personnel system (Kaneka 1-on-1)  
Growth of people and work

Plan: “Initiative 26”

Growth strategy from the viewpoint of the Change and Growth Triangle

#### Work Culture Innovation

Effective use of time, information, and people  
Maximization of organizational productivity

-Renaissance (Recovering Our Humanity)-

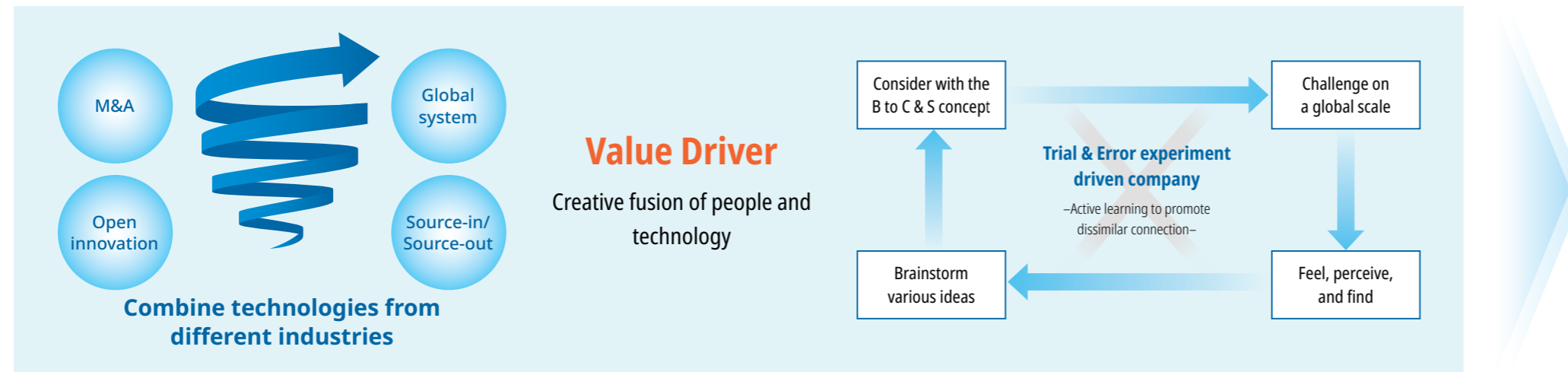
Advancement of Kaneka's value creation process (based on creativefusion of people and technology)



**Kaneka's Meaning of Existence Purpose**

**Providing solutions through innovative material development across our global network through the repeated creative fusion of people and our breakthrough technology**

**Resolution of Social Issues KANEKA thinks "Wellness First."**



**Environment/Energy**

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CONSUMPTION AND PRODUCTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

We realize a society where everyone can enjoy nature's bounty, using clean and sustainable resources and energy.

---

**Food**

2 ZERO HUNGER

12 RESPONSIBLY CONSUMED AND PRODUCED

15 LIFE ON LAND

We realize a society where safe, secure and highly nutritious food is available to everyone and where food producers are also satisfied.

---

**Wellness**

3 GOOD HEALTH AND WELL-BEING

We realize a society where everyone has access to leading-edge medical services and can continue to live a healthy and vibrant life.

### Basic Management Policy

**Aiming for the goal of making the world healthy—  
“Wellness First” (Human-Driven Management)**

**Trust & Respect**

Trust People & Mutual Respect is a tradition that has continued since Kaneka's founding

**Trial & Error Experiment Driven Company**

The limitless adventure of repeated renewals for a new portfolio

#### Strengthening the Management Platform

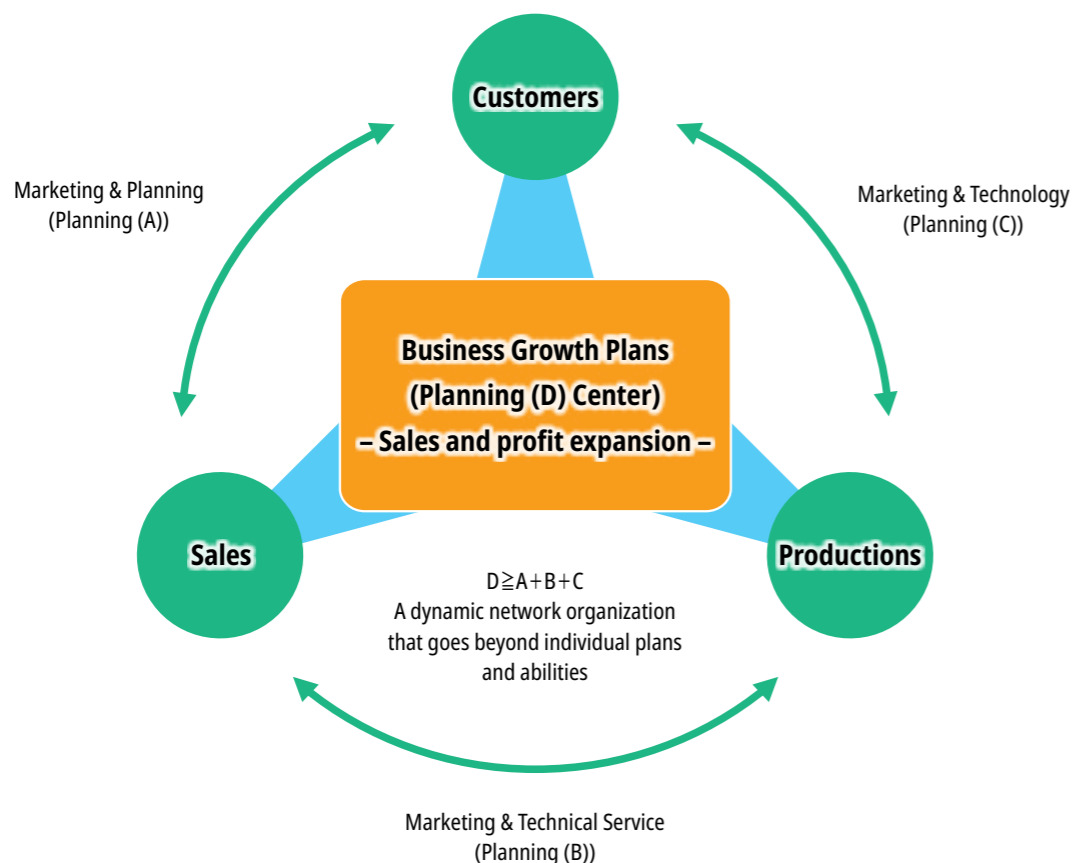
Innovate and upgrade operations through digital transformation (DX)  
A personnel system for increasing employee motivation and productivity

#### Selection and Concentration

Tackling the three crises with a focus on Life Science  
Active investment in research and development  
Targeting rapid growth by investing resources in leading-edge businesses

### Integrating Management Strategy

Manufacturing Means Applying R2B + P  
→ Enhancement of four planning functions and capabilities



### Priority Strategies

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#### The Path of Hybrid Management Promoting Portfolio Transformation

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#### R2B+P Strategy Implementation of Technologies Integrating Research and Production Technology

- |                                  |  |
|----------------------------------|--|
| ■ Solution Provider              | Solutions Generated by R2B+P   |
| ■ R2B Strategy                   | Portfolio Transformation Engine  |
| ■ Manufacturing Strategy         | The Manufacturing Site Is a Value Center   |
| ■ Carbon Neutral (CN) Strategy   | Creating Manufacturing Sites That Embody Sustainability to Promote Global Health |
| ■ Intellectual Property Strategy | Creating Intellectual Property to Raise Business Competitiveness                 |

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#### Human Resource Strategy Human Driven Company A lean, high-quality team and merit-based appraisal

- |                                  |   |
|----------------------------------|---|
| ■ Development of Human Resources | Making dreams a reality by “lighting a fire in people’s hearts” |
| ■ Centered on the 1-on-1 Program |   |
| ■ Promotion of Diversity         | Diverse individuality delivers unique Kaneka value              |
| ■ Promotion of Wellness          | Coworkers with the same aspiration engage in work with vitality |

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#### Global Strategy Think Global, Act Local

- |                              |   |
|------------------------------|---|
| ■ The Best Glocal Kaneka Way | Our global network enabling business development deeply rooted in communities |
|------------------------------|---|

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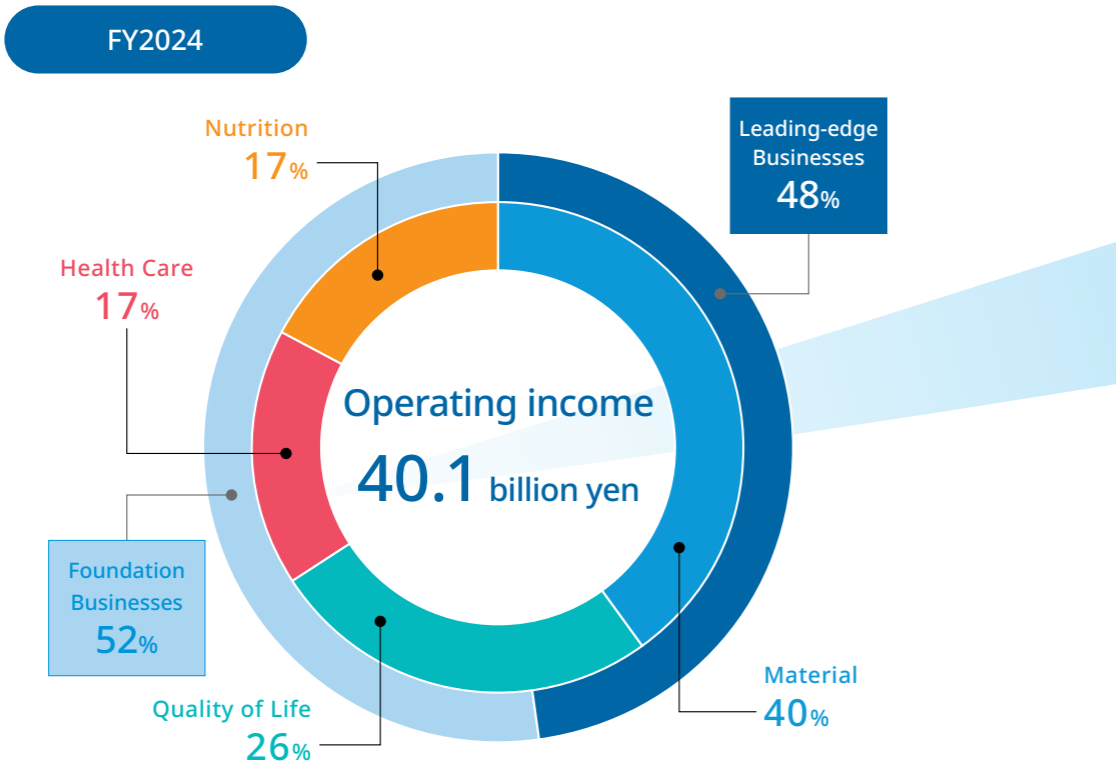
#### DX Strategy Digital Transformation for Value Creation

- |                          |  |
|--------------------------|--|
| ■ Change R2B             | Change the speed, scale and perspective            |
| ■ Changing Supply Chains | Optimizing SCM and evolving to cutting-edge plants |

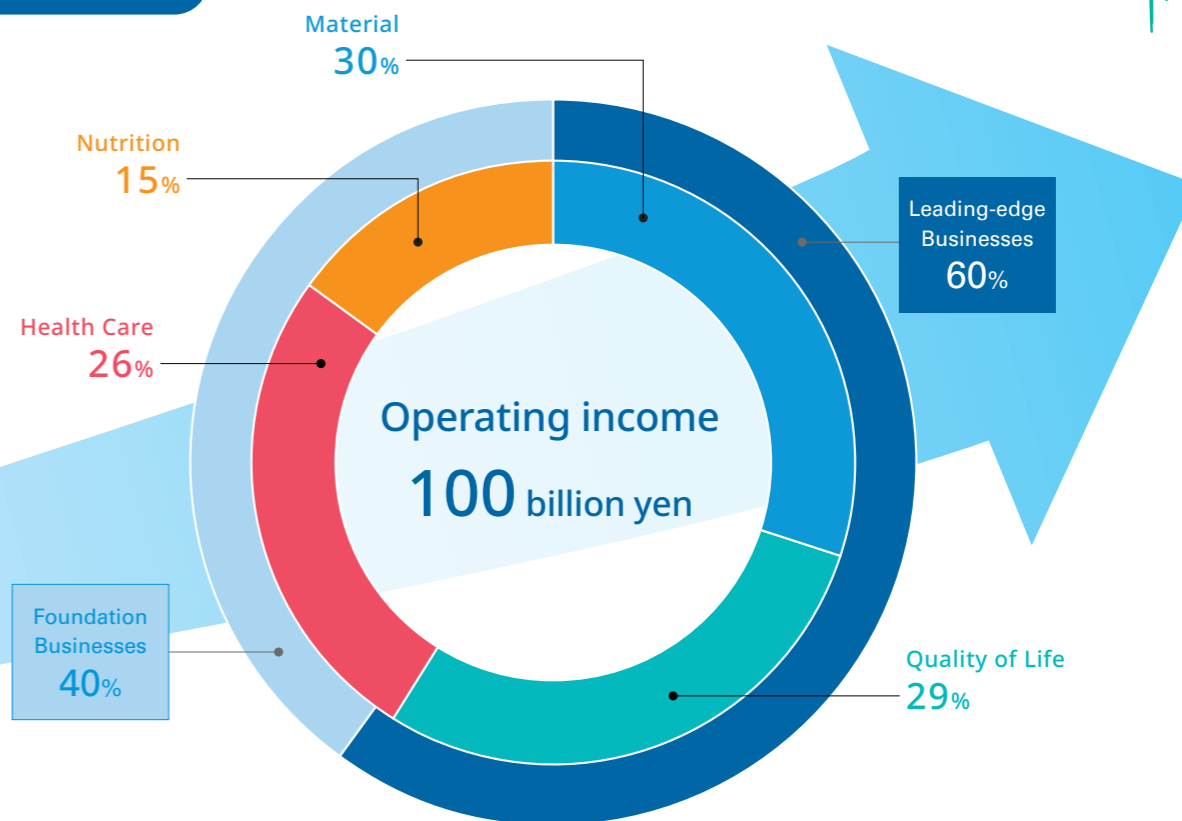
### Promoting Portfolio Transformation

We will accelerate the transformation of our business portfolio through hybrid management. We aim to create unique and valuable new solutions, combining a wide variety of different technologies and solutions to help solve social issues.

#### Operating Income Ratio by Solutions Unit (SU)

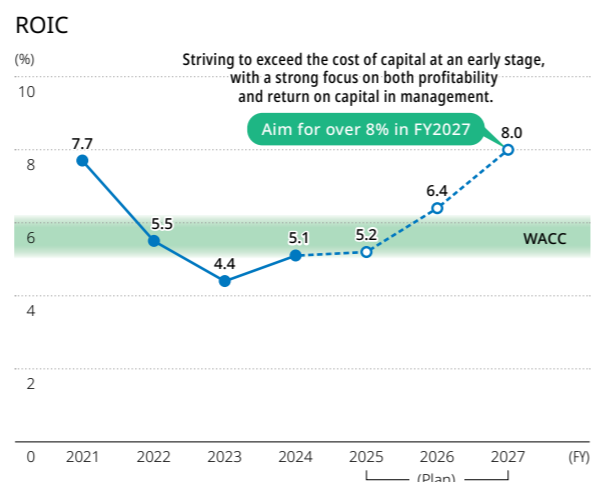
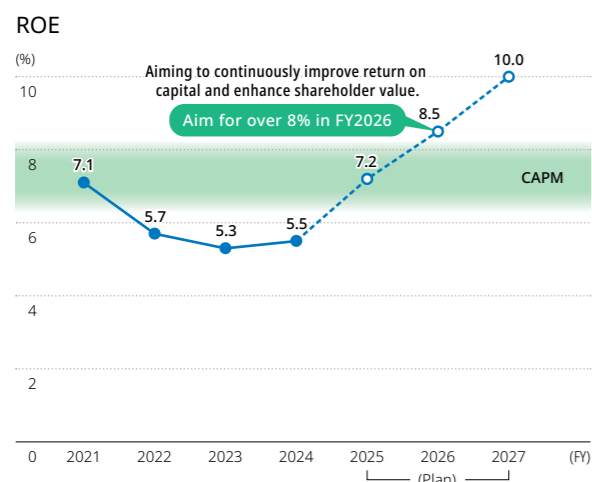


#### FY2025 + X



#### Capital Return Indicators

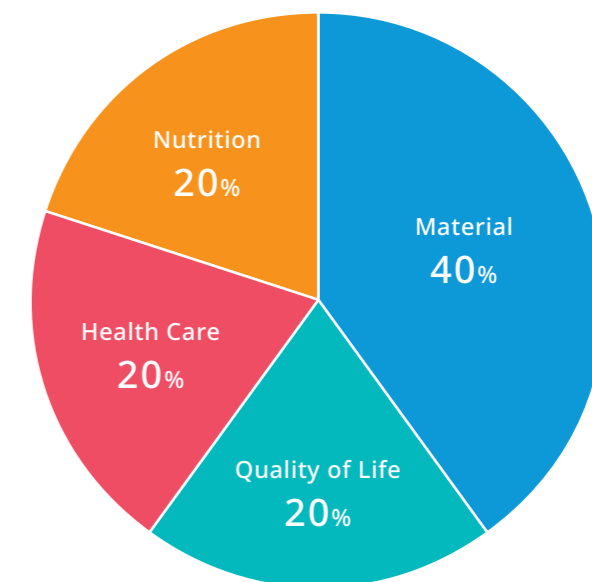
We aim to enhance corporate value by steadily strengthening earning capabilities, decreasing the cost of capital, and reducing strategic shareholdings.



#### Capital Investment Plan

We will accelerate the process of selection and concentration in our investments, expanding the domain of "life science for a healthier planet." We will strategically invest resources (people, goods, and money) to develop unique and differentiated technologies that cannot be copied. We will expand the business of our leading-edge business groups. Our foundation businesses will also work to bolster their business foundations by thoroughly strengthening differentiation capabilities and making capital investments to enhance supply capabilities.

FY2025-2027 total amount of investment planned  
300 billion yen



### Earthology Chemical Solution






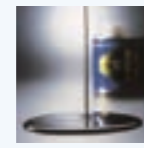


#### Material Solutions Unit

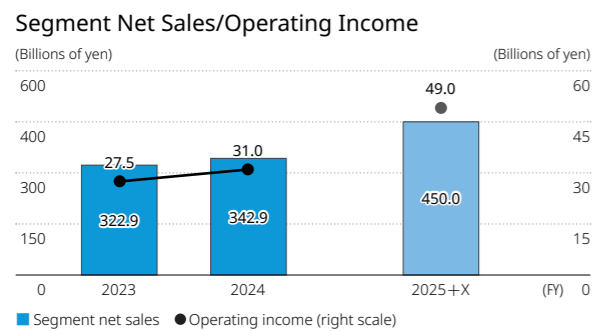
To support the advancement of life and the environment by drawing out the richness of materials  
Material Value Creator

Social issues to be solved



Solutions provided by the Material Solutions Unit

<h4>Vinyls and Chlor-Alkali SV</h4> <p>Our integrated production system includes vinyl chloride monomers, polymers, and special vinyl chloride resin. The goal of these products is to continue contributing to society by supporting daily life and infrastructure.</p>  <p>Chemicals Caustic Soda, Sodium Hypochlorite, Hydrochloric Acid</p>  <p>Cross-linked PVC Kaneka XEL™ Series, Kanevinyl™ M Series, Kanevinyl™ K Series</p>	<h4>Performance Polymers (MOD) SV</h4> <p>These plastic materials that provide heat, weather, and flame resistance help to support daily lifestyles and infrastructure by being versatile and applicable to a variety of fields— including construction, automotive, industrial, appliances, and equipment.</p>  <p>Impact modifiers Kane Ace™ MB, Kane Ace™ MM, Kane Ace™ FM</p>  <p>Processing aids/ Specialty additives Kane Ace™ PA</p>
 <p>Polyvinyl chloride Kanevinyl™</p>  <p>PVC-PVAc polymers Kanevinyl™ M Series, Kanevinyl™ HM Series etc.</p>	<h4>Performance Polymers (MS) SV</h4> <p>Kaneka's unique resin materials allow the creation of sealing, adhesive, and coating agents whose properties include superb weather resistance, elasticity, and adhesion. We provide a variety of solutions in construction, industry, information equipment, and other fields.</p>  <p>Silyl-terminated polyether KANEKA MS POLYMER™, KANEKA SILYL™</p>  <p>Acrylic silicon polymer KANEKA GEMLAC™</p>



We bring innovation to lifestyles and the environment by harnessing the unlimited potential of chemical materials to help communities achieve sustainability.






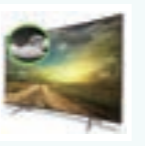
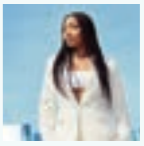
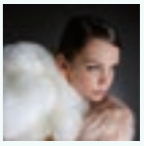
#### Quality of Life Solutions Unit

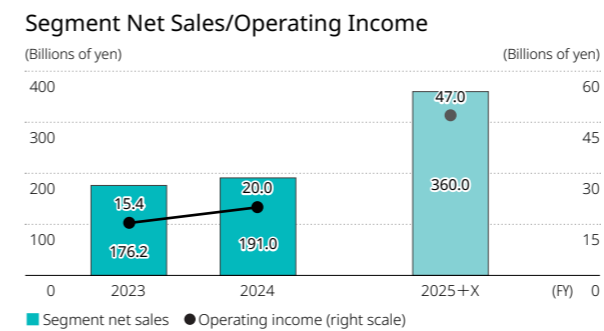
To produce the leading edge of the enhancement of the quality of life through the power of materials  
Quality of Life Pathfinder

Social issues to be solved



Solutions provided by the Quality of Life Solutions Unit

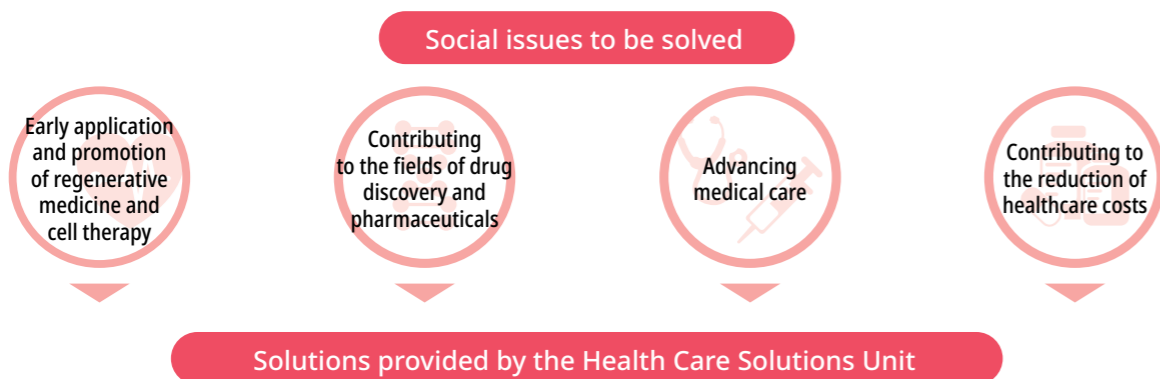
<h4>Foam &amp; Residential Techs SV</h4> <p>Kaneka helps make lives better, whether it's cushioned packaging, fish boxes, insulation to make homes comfortable, bumper core material that makes cars lighter and safer, or constant-temperature shipping packaging.</p>  <p>Polypropylene foam made with the bead method Eperan-PP™</p>  <p>Polystyrene foam made with the bead method Kanepearl™</p>	<h4>PV &amp; Energy management SV</h4> <p>Solar cells are the leading renewable energy solution. Our photovoltaic power systems can be integrated into the roofs, windows, and walls so that the building materials themselves generate electricity.</p>  <p>Roof-integrated photovoltaics VISOLA™, others</p>  <p>Green Multi Solar™ *Green Multi Solar™ is a registered trademark of Taisei Corporation.</p>
<h4>E &amp; I Technology SV</h4> <p>Chemistry can make electronic equipment that is smaller, performs better, and is more beautiful. We create new value, value that pioneers cutting-edge fields and makes people's lives better.</p>  <p>Super heat-resistant polyimide film Pixeo™, Apical™</p>  <p>Optical acrylic resin Kaneka Optical Acrylic Resin</p>	<h4>Performance Fibers SV</h4> <p>Fiber products are integral to our lives. In developing KANEKALON™/KANECARON™, unique fiber products unlike those of other companies, we have provided consumers around the world with new value for a variety of situations.</p>  <p>Materials for hair attachments KANEKALON™</p>  <p>Performance fibers eco fur KANEKALON™</p>



### Active Human Life Solution


#### Health Care Solutions Unit

To create a world where advanced medical means are available to as many people as possible  
Medical Edge Explorer




#### Medical SV


Our range of solutions so far includes catheters for blood vessel treatment and blood purification systems. With an extensive product lineup that meets a wide range of medical needs, we help advance medical technology.



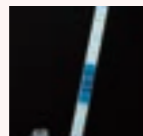
Medical device  
Scoring balloon catheter for vessel stenosis dilatation



Blood purification  
Rheocarna™ for arteriosclerosis obliterans




Regenerative medicine and cell therapy  
Mesenchymal stem cell formulation




Genetic diagnostic products

#### Pharma & Supplemental Nutrition SV (Pharma)


Using biotechnology and synthesis technology, we contribute to medicines in many fields, from synthetic pharmaceuticals to cutting-edge biopharmaceuticals. We continue to provide solutions to pharmaceutical companies around the world.




APIs and intermediates for small molecule pharmaceuticals



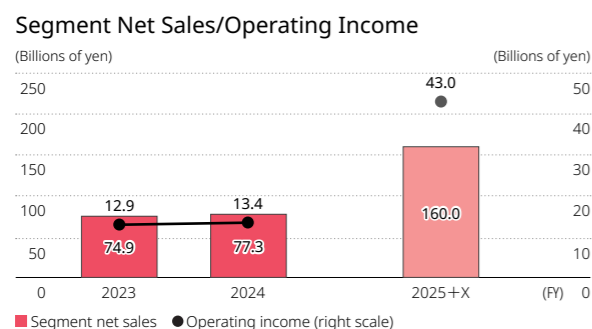
Affinity chromatography resin for purification of monoclonal antibody  
KANEKA KanCap™ series



Products and services for biopharmaceuticals



Transdermal medicine



By adopting a unified approach to food and medicine that is defined by a focus on chemistry, we provide innovative solutions that empower people to live healthier lives.

#### Nutrition Solutions Unit

To re-innovate food and health  
Nutrition Value Chain Innovator



#### Pharma & Supplemental Nutrition SV (Supplemental Nutrition)

We have spent years utilizing our fermentation technology to develop dietary ingredients; for example, we successfully established industry-level production of ubiquinol, the reduced and active form of coenzyme Q10, which was difficult previously. It is our desire to contribute to people's health the world over.



Dietary ingredients  
Kaneka Ubiquinol™



Dietary supplements  
Watashi no Chikara™ Supplement series



Dietary ingredients  
Floradapt™ series (AB-Biotics probiotics)



Dietary ingredients  
Kaneka Glavonoid™ (Licorice glabra polyphenol)

#### Foods & Agris SV

The foodstuff market continues to demand greater nutrition, wider variety, and new tastes. By fusing our array of technologies such as fermentation and oil and fat processing, we offer solutions that boost the value of food.



Milk/Milk beverages  
"Milk for Bread" series



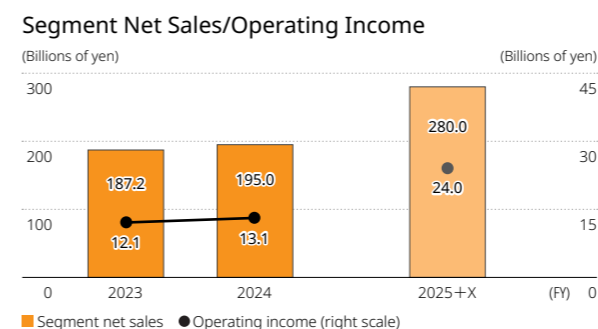
Yogurt  
Watashi no Chikara™ Q10 yogurt series



Margarine/Shortening  
NOVA™, CONCEBOUR™, EVER LIGHT™



Whipping cream/Cream for kneading and other uses  
LACHENTE™/FRANJE™



Implementation of Technologies  
**Integrating Research and  
Production Technology**

The technologies and knowledge generated through research and development are delivered to society through manufacturing, thereby maximizing value.

Our mission is to contribute to solving the challenges facing society by consistently supplying products that ensure safety and peace of mind through our R2B+P activities, which integrate research and development with production, and to remain a trusted partner.

As a solution provider that implements research findings to create and deliver value that benefits society, we contribute to the realization of a sustainable society.

# Resolution of Social Issues

# R2B+P

Research to Business + Production = Manufacturing

**Solution Provider**



Solution Provider



### Solutions Generated by R2B+P

Kaneka provides solutions to the challenges facing customers and society. Across diverse fields such as the environment and energy, food, and wellness, we will create sustainable value and shape the future together through our “Make it Real” philosophy, which leverages science and technology. As a partner in solving challenges, we will continue to implement valuable solutions on a global scale.

#### Green Innovation through the Fusion of Research and Manufacturing

Development of practical technologies for perovskite solar cells and development of direct polymer synthesis technology by microorganisms from CO<sub>2</sub>

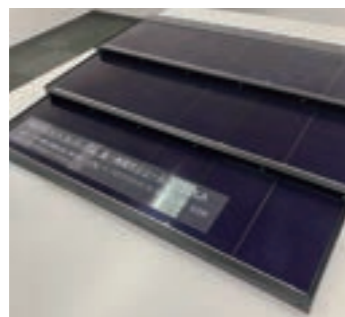
Our life science solutions, which utilize cutting-edge technology to promote the health of the global environment and all living things, align with society's growing needs, and there is a strong desire for their swift implementation. By leveraging

government support and other resources, we are accelerating the implementation of our solutions by integrating research focused on business perspectives with manufacturing capabilities designed to maximize value from the customer's standpoint.

#### Implementation of Perovskite Solar Cells

Perovskite tandem solar cells consist of a perovskite solar cell stacked on top of a heterojunction crystalline silicon solar cell; by absorbing light of different wavelengths, they achieve a higher conversion efficiency than a heterojunction crystalline silicon solar cell alone.

We are developing products that combine high efficiency with high durability and have begun field trials for their implementation in residential and commercial buildings.



Residential roof tile-integrated perovskite tandem solar modules

This research and development is being conducted with the support of NEDO under the Green Innovation Fund Project for “Manufacturing Technology and Demonstration of Next-Generation Tandem Solar Cells.”



New building for this research project (Green Innovation Center)

This research and development is conducted with the support of NEDO under its Green Innovation Fund project, “Promotion of Carbon Recycling Using CO<sub>2</sub> from Biomanufacturing Technology as a Direct Raw Material.”

### Creating Solutions through the Creative Combination of Products and Services

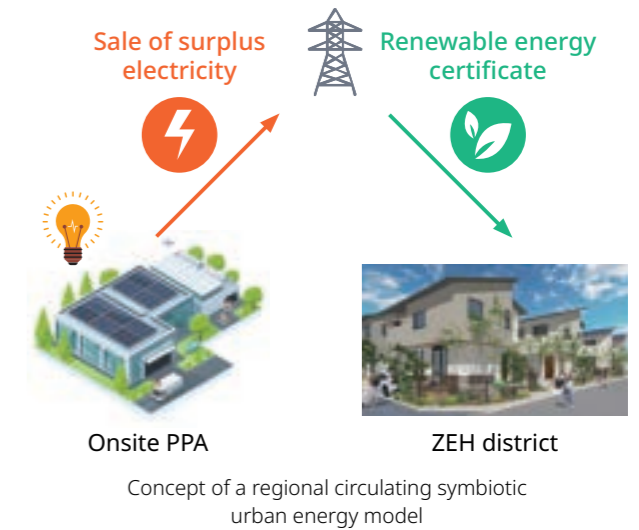
Establishing a regional circulating symbiotic urban energy model through ZEH and onsite PPA

In November 2025, the regional circulating symbiotic urban energy model proposed by Takasago Construction Co., Ltd. and Kaneka was selected for Saitama City's Decarbonized District Development Project.

This model is a new solution that creates a 100% renewable energy, carbon-neutral neighborhood by combining ZEH (Zero-Energy House) built using our SC method (\*1) with electricity supplied through an onsite PPA (\*2).

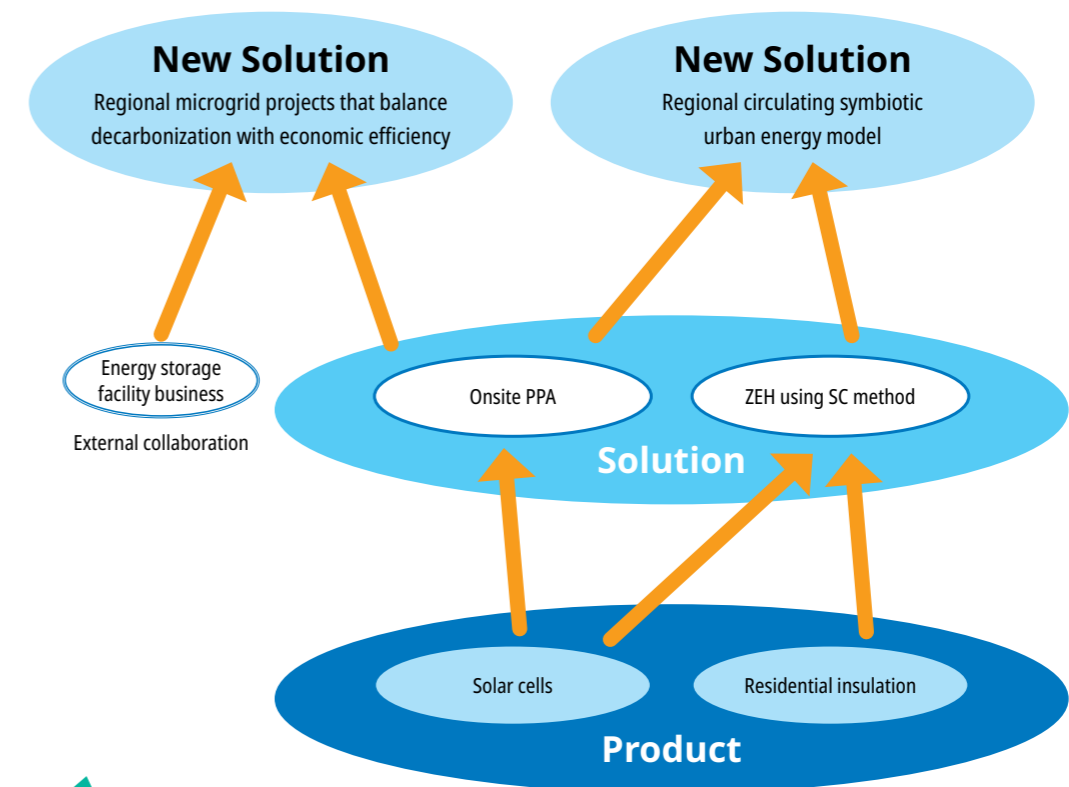
In addition, by combining onsite PPAs with large-scale battery storage systems, we are expanding our offerings to include regional microgrid projects that balance decarbonization with economic efficiency.

Kaneka will provide new solutions by developing and combining proprietary products, including solar cells and residential insulation materials.



\*1 SC method: Solar Circuit method

\*2 Onsite PPA (Power Purchase Agreement): A contractual arrangement in which a third party installs solar power generation equipment on a company's premises, and the company purchases the electricity generated.



### R2B Strategy

## Portfolio Transformation Engine

Research and development at Kaneka, a research and development company, is the largest driving force behind portfolio transformation. Research changes business, and research and development that is business-focused, speedy and of a certain scale promotes what we call Research to Business, R2B. An R2B system has been established in which diverse researchers collaborate with the aim of implementing unique solutions derived from the creative combination of heterogeneous elements.

Actions to embody the concept of Kaneka as "Trial & Error experiment driven company"

Promoting innovation through three "I"s

- Impactful
- Innovative
- Implementable

A group of individuals who believe in serendipity and set the stage for happenstance with "Scientific Mindset"

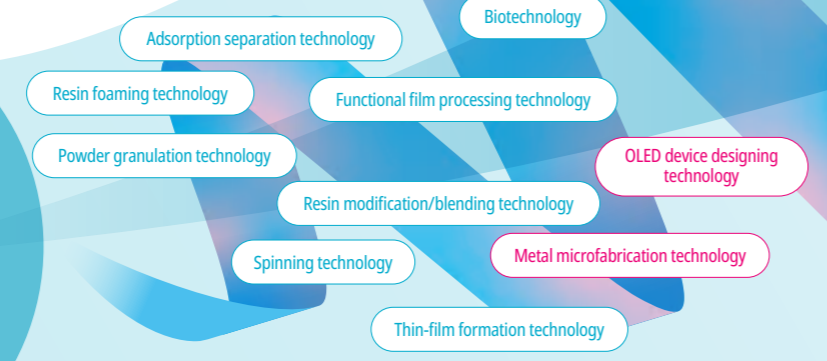
From R&D to R&B, and on to R2B

- Global research network
- Solution provider
- Social implementation

Clustering domains

Born small and grow big

Open Innovation  
Self-developed  
Technologies with  
Introduced Technologies



### Key Technologies and Key Drivers for the Future

<b>Polyimide resin</b>  Super heat-resistant polyimide film	<b>Heat-resistant composite materials</b>  Aerospace and aircraft materials	<b>Biodegradable polymer</b>  Biodegradable polymer
<b>Energy management</b>  Roof-integrated photovoltaics	<b>OLED Lighting devices</b>  Organic LED lighting	<b>Next-generation breeding technology</b>  Genome edited crop
<b>Food production support</b>  Biostimulant	<b>Catheters</b>  Drug-coated balloon catheter	<b>Regenerative medicine and cell therapy</b>  iPS cells/Stem cells

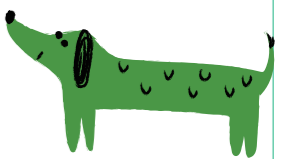
Thermosetting resin compounding/processing technology

Environment/  
Energy

Food

Wellness

Three Crises  
Resolution of Social Issues  
Social Implementation of  
New Materials and Systems



Manufacturing Strategy



# The Manufacturing Site Is a Value Center

Manufacturing site is the source of our competitiveness and the very foundation of our business.

Manufacturing site drives the implementation of new products and new technologies.

Through process innovation and active investment, we will dramatically increase the speed and scale of new product commercialization.

Future Goal

## Realizing a Plant that Creates New Value and Embodies Sustainability

We will evolve our plant into ever more cutting-edge ones through a creative combination of Kaneka's creativity with digital technologies. We build our business to last 100 years into the future.



**Kaneka Tomatoh Manufacturing Site (Concept Diagram)**

This is a smart factory that leverages cutting-edge technologies such as IoT, AI, and robotics, as well as big data, to create a fully automated, unmanned factory. We also plan to achieve the status of Zero-Energy Factory, where the primary energy consumption of factory buildings is reduced to zero through the use of our solar cells, and promote sustainable manufacturing.

### Carbon Neutral (CN) Strategy



## Creating Manufacturing Sites That Embody Sustainability to Promote Global Health

Kaneka Group supports the principles of the TCFD. Through scenario analysis, we identify climate-related risks and opportunities and develop strategies for the medium- to long-term.

We have also joined the GX League (\*) to advance our carbon neutrality initiatives.

Based on these principles, Kaneka Group aims to cut its

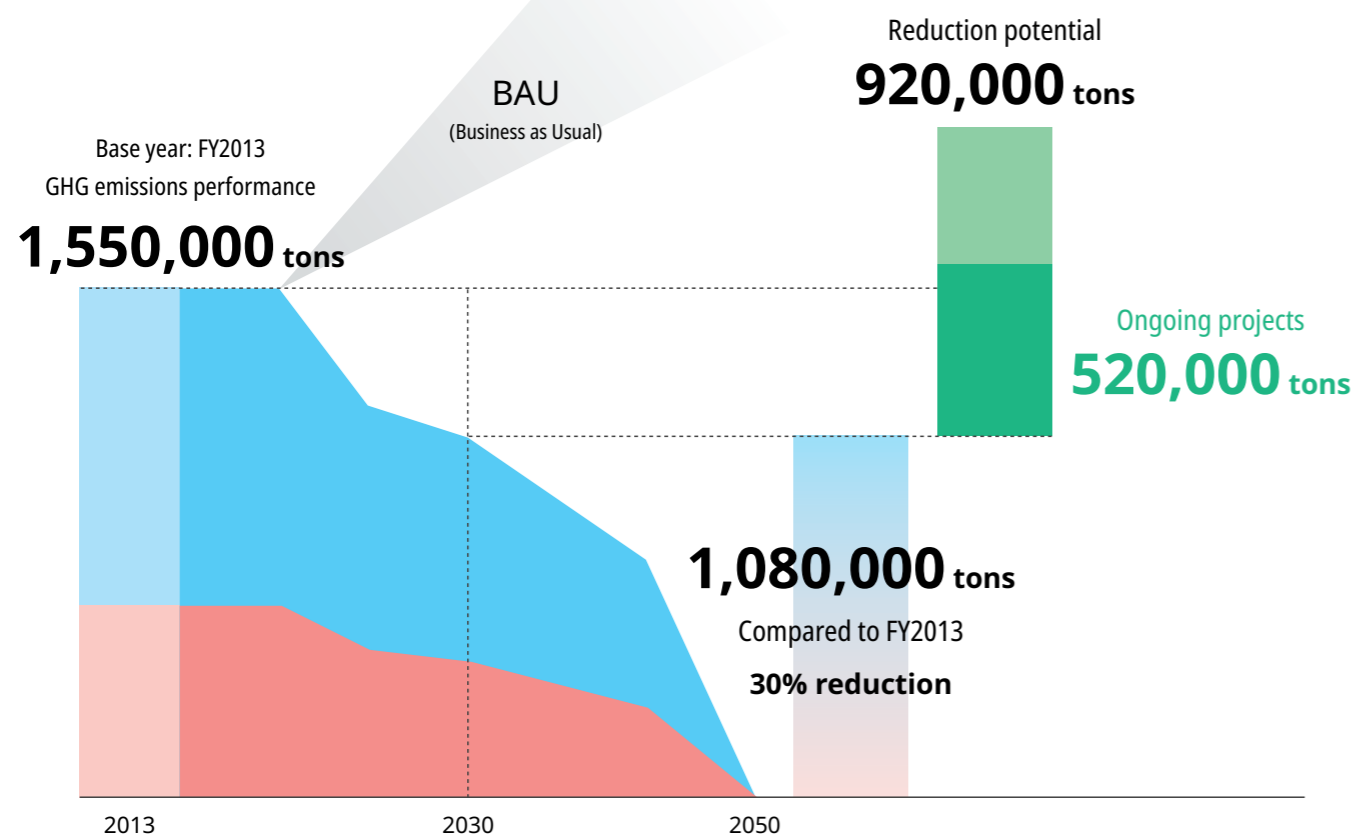
Scope 1 and 2 GHG emissions by 30% by 2030, compared to FY2013 levels.

We aim to achieve carbon neutrality for domestic and international subsidiaries by 2050.

We will continue to use our established production expertise to reduce GHG emissions.

We will implement new development themes and advance ongoing energy saving initiatives at our manufacturing sites.

We will also collaborate across external organizations to contribute to global health by, for example, expanding use of low CO<sub>2</sub> emission factor electricity.



\* GX League: An initiative aimed at achieving carbon neutrality by 2050 and driving societal change. It involves collaboration with businesses, government, and academia committed to Green Transformation and sustainable growth.



### Approach to Setting GHG Emission Reduction Targets

We aim to cut GHG emissions by 470,000 tons, or 30%, from the FY2013 baseline by 2030. We anticipate reducing emissions by 520,000 tons by FY2025 through fuel conversion at the Takasago Manufacturing Site and other measures. To balance future business growth with emission reductions, we will identify potential GHG emission cuts through energy saving process innovations.

We will develop economically viable plans that consider internal carbon pricing. Regarding energy savings in particular, we will utilize the investment framework of the our own environmental capital investment program to promote the identification and implementation of further GHG emission reduction initiatives through onsite-led efforts.

### Projects Having Progressed to a Highly Feasible Phase

Scope 1: We have decided to accelerate our coal phase-out by three years, moving the target from 2030 to 2027. The Takasago Manufacturing Site is progressing as planned with the installation of a new gas turbine cogeneration system. This initiative aims to phase out coal and reduce GHG emissions by 2027.

Scope 2: Kaneka Malaysia has finalized a contract with a supplier to switch to biomass-derived steam by 2026. We expect this to reduce GHG emissions by approximately 30,000 tons. At the Takasago Manufacturing Site, we anticipate reducing GHG emissions by approximately 100,000 tons due to lower emission factors from the power company.



A new gas turbine cogeneration system being installed

	GHG emissions reduction theme total potential	Ongoing projects	Progress
1. Fuel conversion	310,000 tons	310,000 tons	Decision to divest from coal: 310,000 tons
2. Energy saving	300,000 tons	36,000 tons	Operational
3. Process innovation	100,000 tons	5,000 tons	Operational
4. Use of renewable energy, low CO <sub>2</sub> emission factor for electricity and steam power	210,000 tons	170,000 tons	Kaneka Malaysia Decision to introduce biomass boilers, etc. 70,000 tons Power company emission factor reduction 100,000 tons
<b>GHG emissions reduction Total</b>	<b>920,000 tons</b>	<b>521,000 tons</b>	

### Carbon Neutral (CN) Strategy

Creating Manufacturing Sites That Embody Sustainability to Promote Global Health



#### Disclosure of Information in Line with TCFD Recommendations

In March 2021, Kaneka announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

#### Governance

The Global CSV (Quality Environment) Center at the Corporate Manufacturing Integrity Center manages the risks and opportunities related to climate change.

We collaborate with business, production, and research divisions to address climate change risks and formulate prevention strategies. Proposals are reviewed by the Engine of Sustainability Management, led by the Executive Vice President from the Global CSV (Quality Environment) Center. We work closely with all departments to implement solutions. In particular, the DX & Carbon Neutral Committee, part of the Engine of Sustainability

Management, leads our manufacturing strategy for carbon neutrality. This committee collaborates with business divisions, staff departments, manufacturing sites, research centers, and group companies. Together, they integrate digital transformation (DX) with carbon neutrality efforts in manufacturing. The activities of the DX & Carbon Neutral Committee are reported to the Engine of Sustainability Management. Future action plans are then reviewed and decided, and these are incorporated into business plans and other strategies. Matters of importance are reported to the Board of Directors.

#### Strategy

We have summarized the most significant climate change risks and opportunities for the Company in the table on the right.

In FY2023, we analyzed the expansion of solar power, the increased use of biomass plastics, and the rising demand for effective waste utilization as

significant business opportunities. We conducted this analysis under both the 1.5°C and 4°C scenarios and shared the findings with relevant business divisions. We have integrated the main strategies into our business plan, and will continue to advance these efforts.

#### Risk Management

The Global CSV (Quality Environment) Center leads scenario analysis on climate change risks and opportunities. We share the strategies with business divisions and integrate them into our business

plans. Production-related measures are proposed and reviewed by the DX & Carbon Neutral Committee and the Production DX & Carbon Neutral Project Committee.

#### Metrics and Targets

Kaneka Group aims to achieve carbon neutrality by 2050. As a milestone, we have set a target to reduce GHG emissions by 30% by 2030, compared to FY2013. In FY2024, Kaneka Group's total Scope 1 and 2 GHG emissions amounted to 1,527 thousand tons-CO<sub>2</sub>e, which is 98.8% of the levels recorded in

FY2013. Kaneka's standalone Scope 3 emissions amounted to 3,114 thousand tons-CO<sub>2</sub>e. We are gradually expanding the scope of Scope 3 emissions calculations for our group companies. We plan to consider a strategy for reducing Scope 3 emissions in the future.

#### Major Climate Change Risks and Opportunities: Business Impact and Countermeasures

Type	Changes in society	The impact of climate-related risks and opportunities on the organization's business, strategy, and financial plans (● Risks/● Opportunities)	Countermeasures (◎ indicates priority areas)
Regulatory/ Legal	Strengthening of GHG emissions regulations	● Depreciation and amortization costs arising from GHG emissions reduction	• Introduction of Internal Carbon Pricing (ICP) system
Regulatory/ Legal	Increased operational costs due to introduction of carbon tax (incl. supply chain)	● Increase in operating costs due to the introduction of carbon tax	◎ Early fuel conversion of private power generator facilities • Continuous energy saving in existing manufacturing processes • Process innovation • Use of renewable energy and low CO <sub>2</sub> emission factor electricity • Introduction of ICP system
Technological	Acceleration of the circular economy	● Increase in procurement costs due to taxes on the production of petrochemical-derived packaging plastics	◎ Mass production of Kaneka biodegradable polymer Green Planet™ ◎ Promoting research and development to produce the Kaneka biodegradable polymer Green Planet™ from carbon dioxide and hydrogen • Expanding the use of recycled materials
Market	Increased demand for biomass-based resins and decreased demand for fossil-based plastics	● Growing demand for products that contribute to the realization of a circular society, such as biodegradable plastics and low-carbon and decarbonization-related products	
Technological	Low-carbon trends affecting raw material and energy sources	● Fluctuations in fuel costs due to price changes in crude oil, etc.	◎ Early fuel conversion of private power generator facilities • Continuous energy saving in existing manufacturing processes • Use of renewable energy and low CO <sub>2</sub> emission factor electricity
		● Increase in purchase and sales fares due to the introduction of decarbonization technology in transport vehicles and the transfer of credit purchase costs	• Reviewing procurement policies • Strengthening supply chain management initiatives
Market	Increased demand for renewable energy, energy networks, and energy-saving-related products	● Growing demand for materials for ZEB and ZEH	◎ Enhancement and expansion of products related to solar power generation • Expansion of self-delivery and microgrids • Enhancing and expanding insulating material for residential buildings (Kanelite Foam™) • Developing storage batteries
Acute	Impact of extreme weather events on our manufacturing sites and supply chain	● Events caused by flooding due to heavy rainfall or water shortages. Such events could include production stoppages at our factories, supply chain disruptions, etc., leading to lost sales opportunities and increased building damage	• Assessing water risks at Kaneka Group sites • Periodically reviewing BCPs
	Increased demand for building materials in preparation for disasters caused by extreme weather events	● Higher sales of building materials products that curb damage caused by weather disasters	• Development of embankment foam (Kanepearl™, Kanelite Foam™)

### Intellectual Property Strategy

## Creating Intellectual Property to Raise Business Competitiveness

Kaneka places great importance on intellectual property as the foundation for creating valuable solutions that benefit society.

To create high-value-added patents that enhance our competitive edge and support future business, we are implementing an intellectual property strategy centered on human resources development, encouraging innovation, promoting DX, and renewing our intellectual property portfolio.



### Initiatives for New Value Creation

By combining human ingenuity with digital technology, we aim to leverage intellectual property in alignment with our business strategy.

Going forward, we will continue to strengthen support to help maximize the value of technology and ideas.



### Intellectual Property Education Contributing to Value Creation

We aim to enhance researchers' ability to generate ideas and build businesses by strengthening their intellectual property literacy. We also believe that active intellectual property management is the key to creating value in alignment with our business strategy. We provide young employees with opportunities to systematically learn the basics of the patent

system and the application process. In addition, we provide training for leaders to develop the skills needed to formulate and execute intellectual property strategies. Furthermore, we conduct workshops on how to utilize intellectual property information to support business strategies, helping participants acquire practical skills.

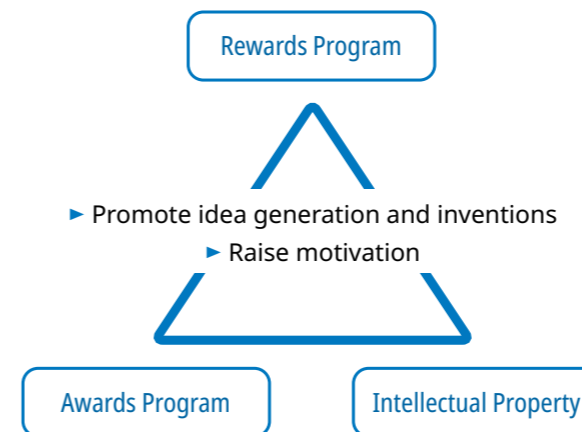
#### Overview of IP Education Program

		Strategy	Search	Creation of rights	Brands, contracts, copyrights
Leadership level	Management	Creation of themes	Analysis of data use	Handling screening	Contract risk Branding Compliance
Mid-level	Application	Use of market information	Use of AI	Invention discovery	
New hires and junior staff	Foundation		Use of tool	Understanding of system	

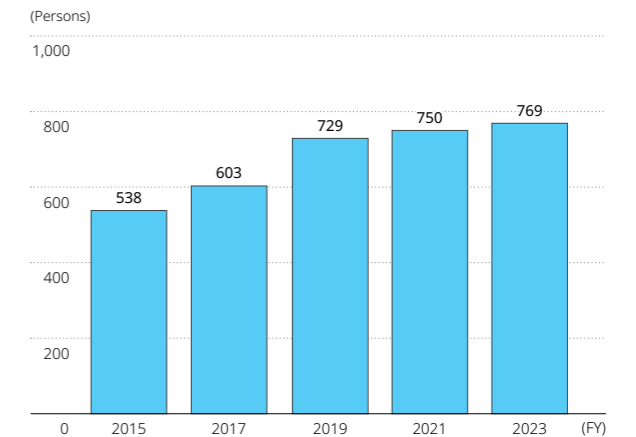
### Fostering a Culture to Motivate Inventions

Inventions are not only the culmination of individual creativity, but also the source of a company's technical capability and competitiveness. The president presents awards to inventors who have made significant contributions, recognizing their

outstanding achievements. In addition to this, we are working to boost inventors' motivation through a comprehensive rewards program and intellectual property training, and these efforts are steadily yielding tangible results.



#### Number of Inventors



### Intellectual Property Portfolio Management

When determining whether to retain a patent, we conduct a comprehensive evaluation of each patent by assessing its contribution to the Company's technology and business, its maintenance costs, and its objective quality.

We will identify patents that contribute to our future business growth, conduct appropriate portfolio reviews to promote renewal, and build an efficient and robust intellectual property portfolio.

### Idea Generation Using DX

We have independently developed a patent search system that leverages DX tools and provide it to R2B+P members.

This system begins with the formulation of ideas and, through comparison with prior technologies, helps refine concepts and explore new directions. This has made it possible to make decisions based on richer, more objective information, in addition to the engineers' intuition and experience. Going forward, we will continue to increase the speed and quality of intellectual creation activities.



## Human Driven Company

—A lean, high-quality team and merit-based appraisal—

We believe that people grow through their work, while companies grow through their people, and in our human resources strategy we promote worker growth by establishing an environment for taking on challenges so that each employee can fully demonstrate their abilities.

To this end, the three key pillars of our human resource strategy are:

- (1) Development of Human Resources Centered on the 1-on-1 Program,
- (2) Promotion of Diversity, and (3) Promotion of Wellness.

We encourage employees to take on challenges in the workplace so they can grow not only through self-directed learning but also through their work.

We support each other's new initiatives, share ideas, celebrate successes together, and strengthen our sense of unity.

Even in an era of changing employee values and business environments, Kaneka's approach to human resources remains rooted in the culture we have upheld since our founding: trusting our colleagues and respecting our differences.

Development of  
Human Resources  
Centered on the  
1-on-1 Program

T r u s t & R e s p e c t

Promotion of  
Diversity

Promotion of  
Wellness



# Development of Human Resources Centered on the 1-on-1 Program

Making dreams a reality by “lighting a fire in people’s hearts”

The Kaneka 1-on-1 program is the cornerstone of the human resources system that was redesigned in FY2018.

It is up to each and every employee to implement the various initiatives that will help us achieve our vision.

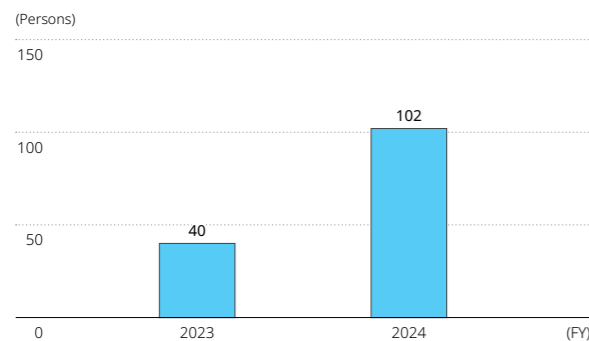
We have implemented this system to help people grow through their work and encourage them to take on new challenges.

## To Deepen 1-on-1 Dialogue

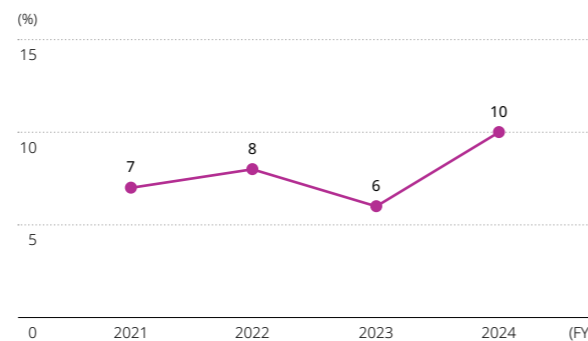
At Kaneka, we value employees who take an active role in shaping their own careers and communicating their goals. We provide opportunities for job rotations and transfers to different departments to help employees take on challenges. Through these initiatives, collaboration across organizational boundaries is enhanced, enabling Kaneka as a whole to become “One Team” while also helping individuals gain a broader perspective. Kaneka’s 1-on-1 program is designed to encourage self-reflection among members (subordinates) and lead to actions that foster growth. Since the

program was first introduced, we have consistently held workshops for managers to improve the quality of 1-on-1 dialogue and ensure the program is fully implemented. Starting in FY2023, we have also held workshops for members to help them proactively use 1-on-1 meetings as opportunities for personal growth. These initiatives stem from our commitment to helping each individual plan and achieve their career goals, and to growing and expanding together as a company.

Number of Participants in Kaneka 1-on-1 Member Workshops



Percentage of Kaneka’s 1-on-1 and Career Design Training Costs out of Total Training Costs

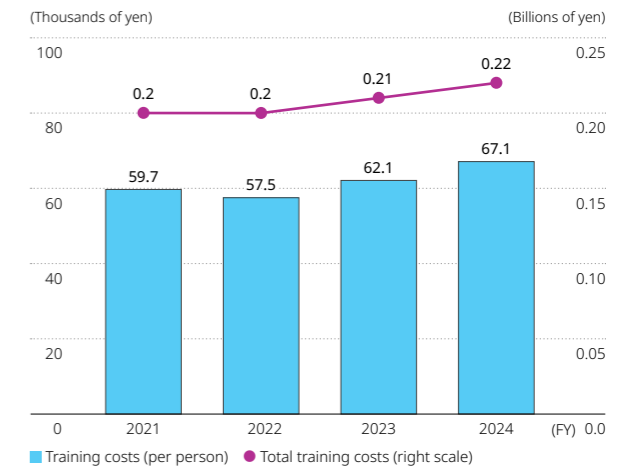


## Training Initiatives to Support Organizational Capacity Development



Investment in human resource development is intended to strengthen the workforce that supports the execution of our business strategy, and we plan to increase this investment to 300 million yen in FY2027 (a 1.5-fold increase compared to FY2022). We are also reviewing and expanding our selection- and application-based, and tiered training programs, using the desired profile of employees and the necessary competencies as our starting point. Training time per person in FY2024 was 18.7 hours and training costs per person were 67,100 yen. We continue to provide opportunities for our employees to step away from their day-to-day work and grow, tailored to each individual’s career path.

Training Costs



## Leaders Driving the One Team

We provide training opportunities for manager positions at each level. The Leadership Challenge is a mandatory curriculum for managers that originated at our overseas Group companies in 2008 and was introduced in Japan in FY2014. The program is held in a workshop format, with participants learning how to refine their values and exercise leadership. In addition, starting in FY2023, we have introduced a new follow-up coaching session. A total of 1,641 people have participated in the program as of FY2025. Hitotsubu-no-Tane Momi Juku, our program to train the next generation of executives, has

trained 133 people from the time it started in FY2015 to FY2025. Nearly half of our general managers are graduates of the program. The chairman, president, and executive vice president take part in all sessions, spending a total of 12 days (about 100 hours) over eight months. Kaneka Creative Corner 2.0 is a global leadership training program focused on head of national staff at overseas Group companies. In FY2025, participants, including Japanese department head, took part in a total of five days (approximately 40 hours) of sessions. We are promoting our global strategy based on advice from members of the Board and discussions with participants.



At Hitotsubu-no-Tane Momi Juku



At Kaneka Creative Corner 2.0

# Promotion of Diversity

Diverse individuality delivers unique Kaneka value

Regardless of age, gender, nationality, or other attributes, when each member's unique personality shines through, this diversity and the resulting diversity of perspectives spark new ideas.

Our managers take the lead in promoting diversity in the workplace, working in tandem with Company-wide initiatives to support our global operations.

## Supporting Women's Advancement to Foster the Will to Take on the Next Stage

We provide tailored support at each stage to help every employee clearly envision their potential and next role, and to empower them to take on new challenges.

In particular, for female team members, we have established opportunities for dialogue with female managers within the Company to help them envision their future roles.

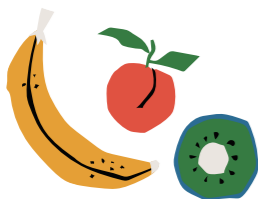
After being promoted to assistant manager, employees broaden their horizons through external programs, gain practical experience, and are promoted to manager positions based on their performance.

In addition, for newly appointed managers who have assumed leadership roles over diverse teams, we provide support to help them develop a deeper understanding of their leadership responsibilities through dialogue with outside directors and executive officer. Currently, multiple women promoted from within the Company are serving as general managers, and we plan to increase the proportion of women in manager positions to 12% by the end of FY2030.

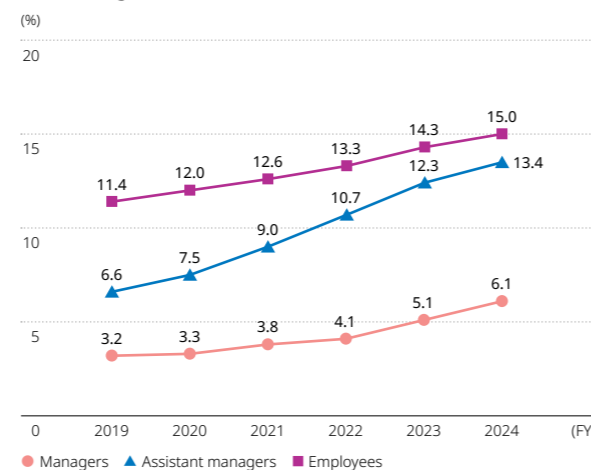
We will continue to develop assistant managers and team members from a long-term perspective.



Yuko Sasakawa, Independent Member of the Board, speaking to newly appointed managers about the proper mindset



## Percentage of Women



## Recruiting Human Resources with Diverse Experiences and Expertise

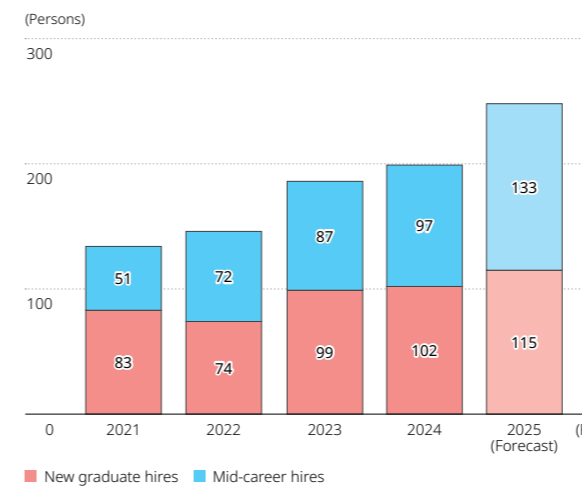
To adapt to business changes and growth, we actively recruit individuals from diverse technical backgrounds and career paths, nurturing their development while leveraging their respective experiences and expertise to strengthen our organization.

For our new graduate recruitment program, we organize visits to DX implementation sites, workshops for students at vocational schools

specializing in information technology, and career education programs for students at technical colleges.

In addition, when hiring mid-career professionals, we focus on recruiting talent in fields that will support our current and future business expansion, such as people with certifications like licensed pharmacists, individuals with overseas assignment experience, and engineers.

## Number of New Graduates and Mid-Career Professionals Hired

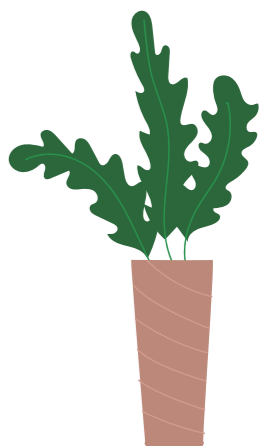


Field tour of DX implementation site for new technical graduates

## Active Involvement of People with Diverse Backgrounds

Of the approximately 11,500 employees in the Kaneka Group, there are about 3,500 foreign nationals who are working around the world. We also organize training programs from our overseas offices to Japan, where participants work to strengthen their professional networks.

The FY2024 employment rate for people with disabilities is 2.65% (the legally mandated employment rate is 2.5%). We will continue to work on creating a supportive work environment and expanding job opportunities to increase the employment rate.



## Promotion of Wellness



### Coworkers with the same aspiration engage in work with vitality

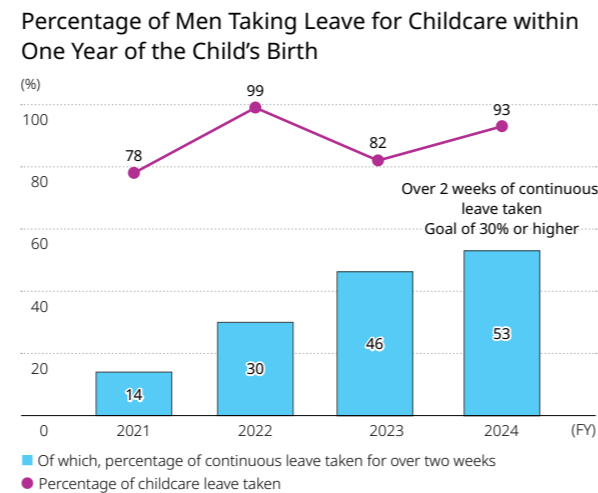
We are working to create an environment where employees can continue to work in good health and take on new challenges with confidence.

By supporting each other's challenges and fostering bonds that enable us to tackle major goals together, we are promoting a culture of wellness that fosters the mutual growth of both individuals and the organization.

#### Understanding for Childcare and Nursing Care

To promote a better understanding of support for work-life balance, we disseminate information about our internal policies and guidebooks to all employees. We also provide opportunities for managers, such as lectures that encourage them to reflect on how to achieve organizational goals while supporting the individual careers and personal lives of team members, and to cultivate a mindset that allows them to enjoy their personal lives as well. By engaging with organizational managers, we are fostering a virtuous cycle at the workplace level.

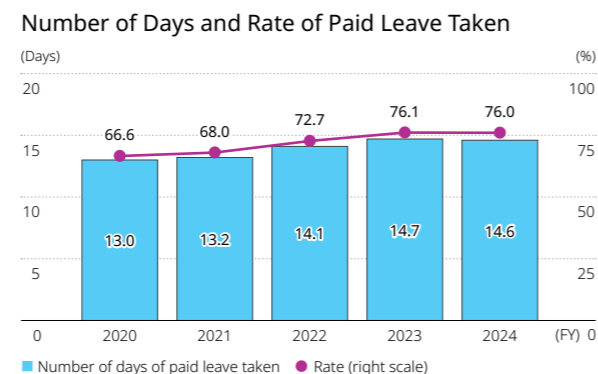
As one indicator of work-life balance, the percentage of men taking at least two weeks of continuous leave for childcare within one year of the child's birth has been well over our target of 30% and continues to rise each year.



#### Maintaining an Environment Where It Is Easy to Work

Maintaining physical and mental health and creating an environment where work can be promoted while workers are refreshed leads to a way of working that increases productivity and to reforms to the work culture.

In FY2024, overtime work was 19.5 hours per month (target of 16.5 hours) and the number of days of paid leave taken was 14.6 days per year (target of 16.0 days). We aim to achieve the targets by focusing on two key areas: improving the performance of each employee and establishing systems that enable highly productive work.



#### Opportunities to Build Unity



The "Run, Run, Run. Kaneka" sports event, which has been held since FY2014, marked its 10th anniversary in FY2025, following a hiatus due to the COVID-19 pandemic. This major festival brings together Group companies from both Japan and overseas; in FY2025, 3,290 people participated, and 209 teams took part in the Ekiden. Many employees have taken up long-distance running as a result of this Ekiden, which not only strengthens the bonds

within the Kaneka Group but also helps establish regular exercise habits and foster a greater awareness of health.

Many runners from Kaneka take part in the Hokkaido Marathon, which Kaneka has co-sponsored since FY2013. Hokkaido Group companies and many people involved cheer on the runners from the side of the road, and the bonds established through Run, Run, Run. Kaneka are reaffirmed.



At Run, Run, Run. Kaneka



Cheering on the Hokkaido Marathon runners from the side of the road

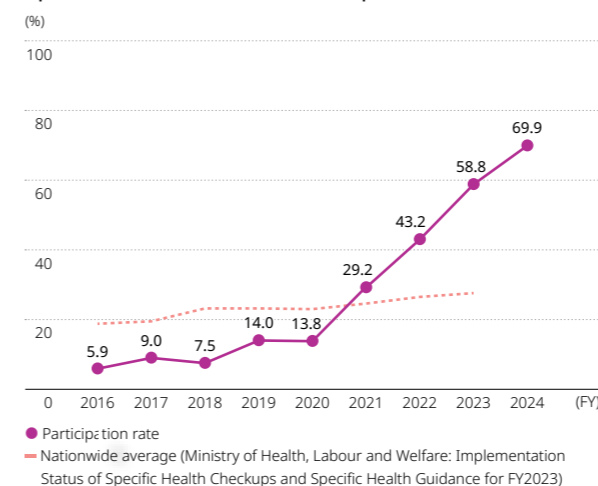
#### Taking a Close Look at Oneself with a Focus on Health

Specific health guidance is a program in which healthcare professionals, such as public health nurses, provide support to help individuals improve their lifestyle habits with the aim of preventing and managing metabolic syndrome. In accordance with standards established by the Ministry of Health, Labour and Welfare, health insurance associations are required to disclose the

participation rates of all members, including not only employees but also their families. Nationwide participation rates are below 30%, but Kaneka had a rate of 69.9% in FY2024.

In addition to providing ongoing support to participants, we also organize events where families can join in, creating opportunities for everyone to engage with their bodies in a relaxed and enjoyable way.

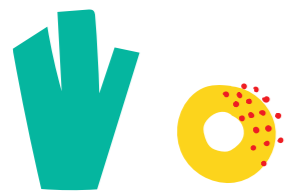
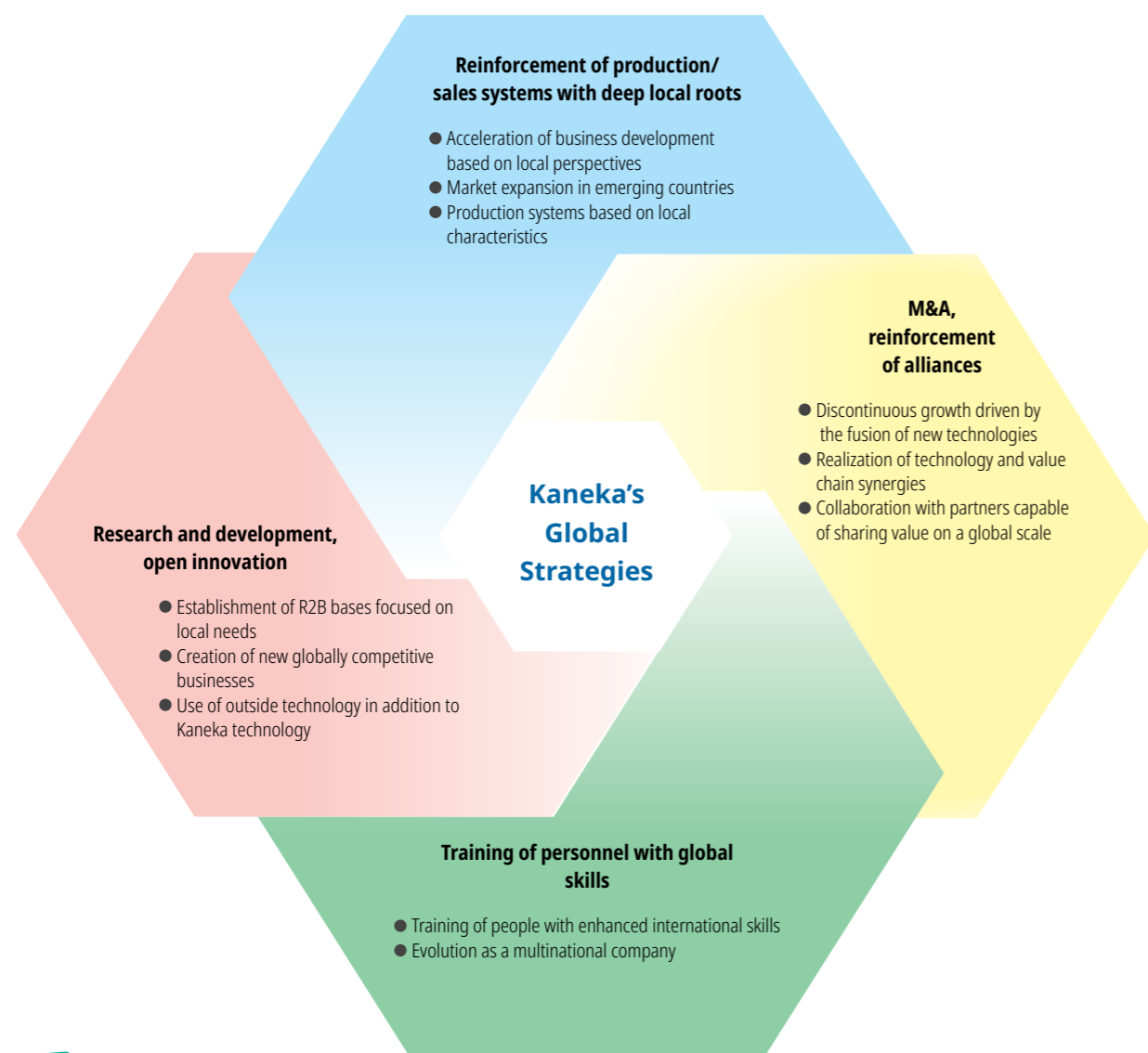
#### Specific Health Guidance Participation Rate



A line formed at the bone density measurement booth at Run, Run, Run. Kaneka, where approximately 540 people reacted with a mix of joy and disappointment to their results.

## Think Global, Act Local

We aim to become a company that delivers unique technologies and products all over the world, in order to save human lives and resolve social issues. We promote activities deeply rooted in local communities worldwide. We advance transculturation from a global perspective. There is no border in chemistry, and when we do business in foreign lands, we focus on conducting local-based business (Glocal business) by overcoming cultural differences. Our goal is to become a company with a global presence by offering valuable solutions to the world market in a timely manner.



## The Best Glocal Kaneka Way

Our global network enabling business development deeply rooted in communities

We are promoting the Glocal Kaneka Way, which aims to strengthen management capabilities at our global locations by balancing the development of overall optimal strategy through the Global Center with the enhancement of local adaptability.



### Glocal Human Resources Management

We have established systems to embed a borderless, global perspective in how we conduct business as a common foundation for the actions of all employees in Japan and overseas. Through this, we aim to develop people who can create value in an international environment. We conduct the global leadership training program Kaneka Creative Corner

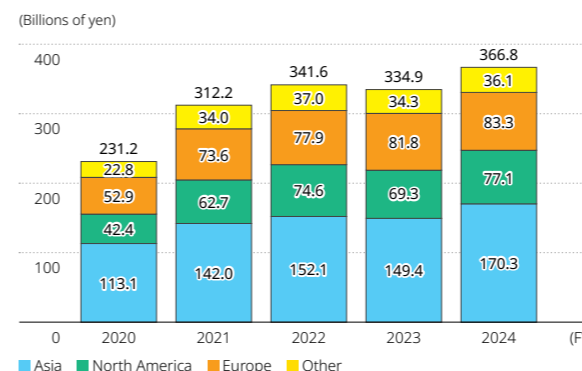
2.0 for national staff managers to enable them to apply Kaneka's strong onsite capabilities—developed primarily at our domestic locations—in their local sites. We are also implementing Kaneka 1-on-1 sessions at each of our global locations to foster an organizational culture where teams, led by their leaders, work together to achieve ambitious goals.

### Moving Key Business Activities Overseas

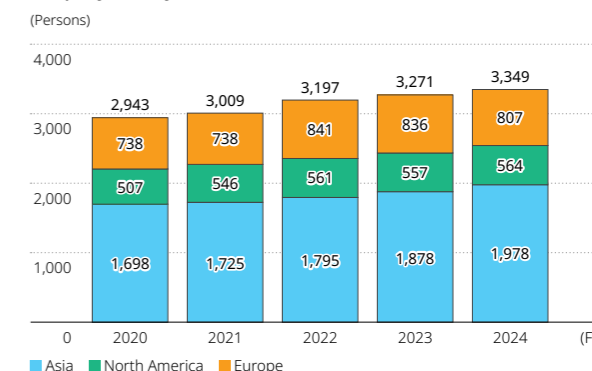
We are steadily increasing overseas sales by pursuing Kaneka transforms and growth drivers in global markets. Along with promoting the localization of management, we are boldly appropriating management

resources to overseas. We will thoroughly strengthen local activities through borderless R2B activities and by taking a market-out approach to market development in which local trends and the latest needs are captured.

#### Overseas Sales



#### Employees by Overseas Area





# Digital Transformation for Value Creation

Rapid advances in digital technology are constantly reshaping the conditions for a competitive advantage, and we face a risk environment in which the ability to adapt to change is the key to a company's survival.

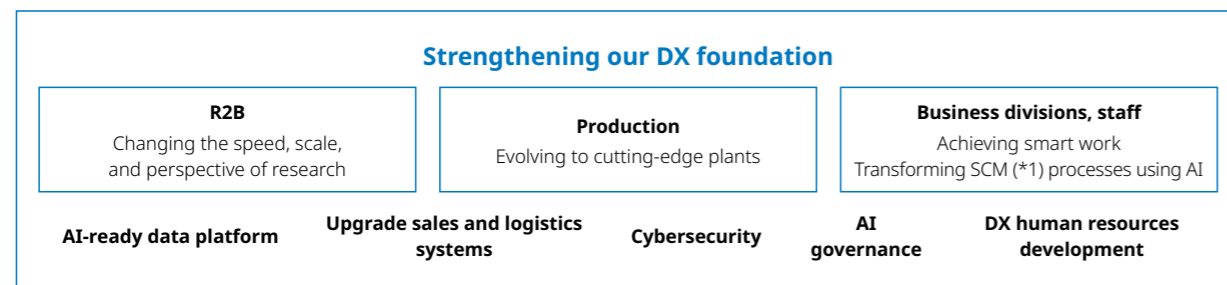
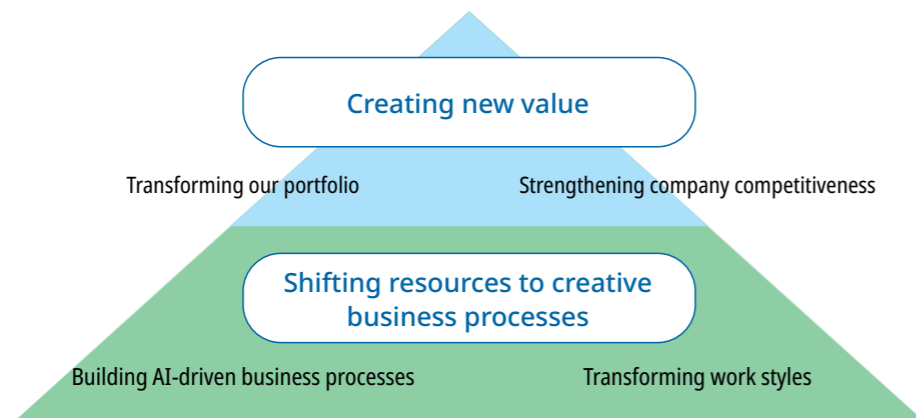
At the same time, the global shift toward decarbonization and advances in AI technology present opportunities for us to grow based on new value.

We must transform the way we do everything and pursue new value.

We view digital transformation (DX) as a key element in driving management reforms, such as innovations in employee work styles and corporate culture, to enhance our sustainability.

## Kaneka DX Strategy = AI × DX

Through AI × DX, leveraging the latest AI-driven digital technologies, we will shift company-wide resources toward value creation and reform work styles, thereby strengthening our competitiveness and transforming our corporate culture.



\*1 SCM: Supply chain management

## DX Strategy

Regardless of business area or job role, we aim to leverage digital technologies, including AI, to overcome physical limitations and further increase our speed and scale.

We are working to transform our operations and strengthen our competitiveness by defining our vision for digital transformation across each division, including production, research, and business.

In recent years, the use of AI, which has seen

remarkable progress, is expanding as we explore the most suitable applications for each process along the value chain.

The promotion of our DX strategy is overseen by the DX & Carbon Neutral Committee, which is led by the Engine of Sustainability Management and includes DX promotion leaders from the production, research, and business divisions.

## Current Status and Future Goals of DX Initiatives

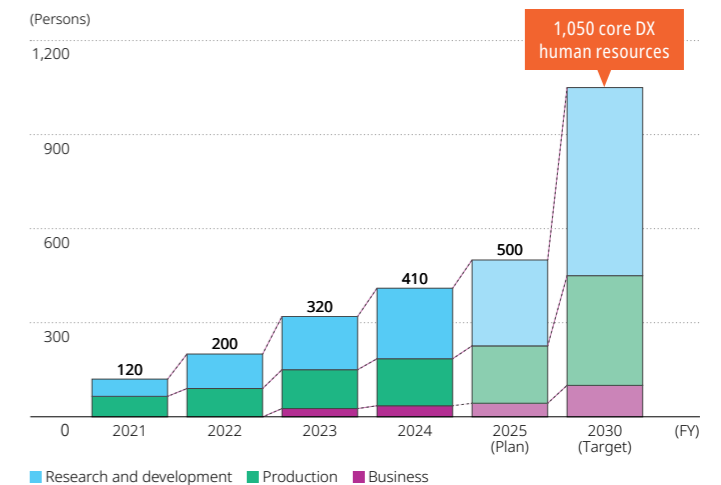
	To 2025	Key initiatives for the next term	Future goals
Company-wide	Infrastructure development to support DX, and small-scale implementation of new technologies such as AI at the operational level	<ul style="list-style-type: none"> <li>Unlocking and promoting the use of an environment where employees can develop their own AI agents</li> <li>Company-wide implementation of automated and optimized production planning using mathematical optimization</li> <li>Improving operational efficiency through the use of general-purpose generative AI</li> <li>Selecting optimal research targets in using specialized generative AI</li> <li>Full-scale implementation and automation of autonomous AI agents for SCM-related and back-office operations</li> </ul>	Creating new value
Production			Evolving to cutting-edge plants
R2B			Changing the speed, scale and perspective of research
Business divisions Staff			SCM process reforms for smart work

## DX Human Resources Development

As part of our human resources strategy based on our management vision, we are committed to developing the next generation of human resources. We have developed a training curriculum based on the ideal profile of core DX human resources required to drive our DX strategy, in accordance with the IPAs (\*2) digital skills standards.

\*2 IPA: Information-technology Promotion Agency, Japan

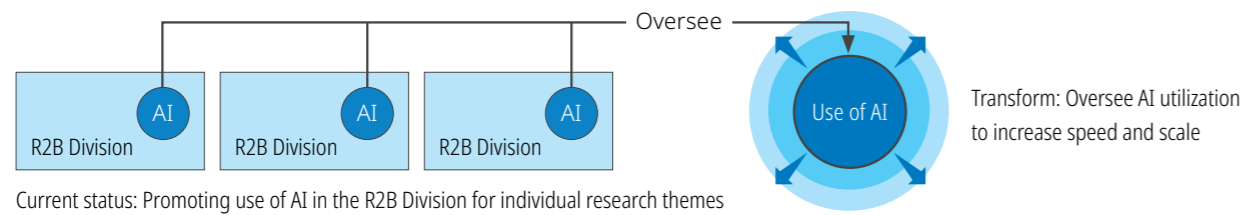
## Expansion of Human Resources Utilizing AI and Data



## Change R2B

—Change the speed, scale and perspective—

In order to create new value from R2B, we will make full use of DX to change its speed, scale and perspective. To date, we have been promoting the use of AI tailored to specific research projects, and the number of cases leading to implementation has been increasing. Furthermore, in order to increase the speed and scale of research, we will establish a framework to oversee the use of AI across all of R2B and drive its implementation in a way that optimizes results for the entire company.

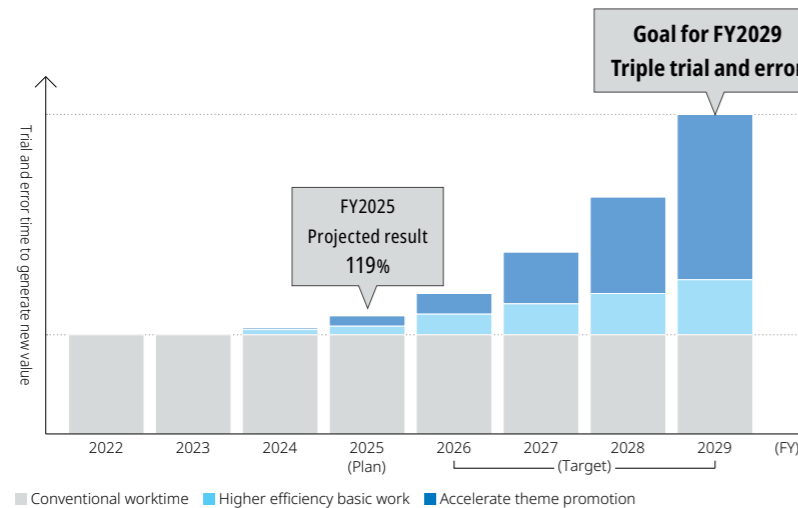


Current status: Promoting use of AI in the R2B Division for individual research themes

### Transforming Research Activities and Accelerating Trial and Error

As a Trial & Error experiment driven company, our driving force is the trial-and-error approach of R2B: Try a large number of things and put in place the ones that work. To ensure our competitiveness over the long term

and drive the creation of new value, it is essential that we accumulate and effectively utilize all intellectual assets, including the failures that arise in the process. With R2B DX, we aim to triple the total volume of trial and error by 2029 (compared to FY2022).



In FY2025, the volume of research trial and error increased by 19% compared to FY2022. This achievement is primarily due to the widespread adoption of research record-keeping, which serves as the foundation for data analysis and AI applications. Additionally, the implementation of analysis and simulation tools for material design, as well as AI-powered systems for adjusting material properties and automating inspections in certain parts of the production process has also contributed.

### Smart Work via Use of Generative AI

The adoption of AI is gradually progressing across various fields, led by the R2B Division. Approximately 2,000 employees, roughly half of our workforce, are currently using generative AI in their daily work. We are also developing applications tailored to specific tasks, such as AI agents that handle administrative work and routine, repetitive tasks,

AI-powered veteran operators, and risk assessments for manufacturing sites. Ultimately, we aim to create a work style in which people collaborate with AI assistants. We are also focused on developing infrastructure, such as a new AI-ready data platform.



## Changing Supply Chains

—Optimizing SCM and evolving to cutting-edge plants—

We will build up a Kaneka's unique manufacturing site by fusing the creativity of technology and innovation with digital technology. We will also implement SCM operational reforms that leverage AI to transcend human limitations and optimize the entire supply chain. AI agents will handle administrative tasks and routine, repetitive work, allowing people to focus on creative tasks such as strategic planning and developing new business models, thereby realizing smart work.



### SCM/Production Roadmaps

	2020	2025	2030
<b>Maximizing value from the customer's perspective</b> Winning global competition Achieving cost and quality targets		Increasing productivity by optimizing the entire supply chain Speeding up new product commercialization via R2B+P	
<b>Transforming work styles using AI and digital technology</b> Enhancing planning and execution operations	Promotion of FOZ (*1) using AI and IoT	Promotion of automation through image analysis and robot deployment Using generative AI to enhance work done by staff Using AI to stabilize production processes	
<b>Strengthening our digital platform</b> Strengthening our infrastructure, developing digital talent Strengthening OT (*2) security	Enhancing data storage and communication infrastructure Developing talent skilled in AI and data utilization, as well as those skilled in digital transformation planning		Strengthening OT security

\*1 FOZ (Field Operation Zero): Zero field operations in manufacturing sites.

\*2 OT (Operational Technology): Technology used to optimally control and operate factory equipment.

#### (1) Maximizing value from the customer's perspective

We utilize mathematical optimization techniques as part of our efforts to optimize the entire supply chain and reform our operations. We will establish a production system capable of reducing production costs and flexibly adapting to fluctuations in demand, thereby contributing to the maximization of customer value through stable product supply and the maintenance of appropriate product prices.

We are developing AI agents specialized in risk assessment and working to leverage the expertise of skilled workers in our manufacturing operations.

#### (2) Transforming work styles using AI and digital technology

Each factory will work to promote automation, including the use of AI and the introduction of robots, with the goal of achieving FOZ by 2030.

#### (3) Strengthening our digital platform

At production sites, we have been training a cumulative total of 180 core DX human resources since FY2021. These personnel are working to eliminate tasks that rely on individual expertise, such as identifying early signs of equipment malfunctions and creating production schedules. As the entire supply chain becomes increasingly interconnected, OT security risks at manufacturing sites are on the rise, and we are working to strengthen our resilience against cyberattacks.



## List of Directors (June 27, 2025)

Chairman of the Board  
(Representative Director)



Kimikazu Sugawara

President  
(Representative Director)



Kazuhiko Fujii

Member of the Board  
Executive Vice President



Shinichiro Kametaka



Mamoru Kadokura

Member of the Board  
Managing Executive Officer



Katsunobu Doro



Jun Enoki



Toshio Komori



Masaaki Kimura

Independent Member of the Board



Mamoru Mohri



Jun Yokota



Yuko Sasakawa



Hiromi Miyake

Audit & Supervisory  
Board Member

Masami Kishine  
Shinobu Ishihara  
Hiroshi Fujiwara  
Yasuhiro Uozumi

Senior Managing  
Corporate Executive  
Officer

Akira Iwazawa  
Yasuaki Nuri

Managing Executive Officer

Atsushi Kawakatsu  
Yoshiki Takeoka  
Kazuo Ochiai  
Shinji Mizusawa  
Kan Okabe  
Osamu Ishida  
Takuo Ishibashi  
Satoshi Suzuki

Executive Officer

Masashi Nishikawa  
Satoru Katayama  
Masahiro Ueda  
Etsuo Yoshiike  
Riichi Nishimura  
Naoki Furukawa  
Katsutoshi Shichijo  
Yasuyoshi Ueda  
Hiroyuki Deguchi  
Isao Otsu  
Masanobu Yamada  
Ryuichi Maruyama  
Shozo Ishizaka  
Takeo Watanabe  
Hiroshi Ando  
Ryou Shimizu  
Masanobu Sugawara  
Genichiro Kocho  
Keiji Suzuki  
Shinji Ozawa  
Takashi Ueda  
Mizuho Shinkai

## Corporate Governance

### Basic Policy

Guided by our Corporate Philosophy, Kaneka aims to achieve sustainable growth, improve medium- to long-term corporate value, and build trust among all stakeholders, including shareholders, investors, customers, local communities, vendors, and employees, realizing optimum corporate governance to fulfill our social responsibility.

Kaneka believes that a working corporate governance function is extremely important for realizing diverse, global business growth and maintaining the optimal allocation of corporate resources to the R&D, production and sales activities that support that growth. It is also essential for realizing sustainable growth together with the medium- to long-term improvement of corporate value. From that perspective, Kaneka is working to enhance corporate governance, both to ensure transparency and fairness in decision-making and to build more dynamic management through swift, bold

decisions. Kaneka believes the following basic items are particularly important in those efforts.

- Respecting and ensuring the equality of shareholder rights
- Collaborating with other stakeholders in the value-creation process
- Ensuring transparency through the timely, appropriate disclosure of information
- Strengthening the oversight and strategic recommendation functions of the Board of Directors by leveraging the independence and insight of its independent member of the board
- Appropriately communicating and encouraging understanding of Kaneka's corporate philosophy and policies among all stakeholders
- Conducting a constructive dialogue with shareholders based on an understanding of Kaneka's corporate policies

### Efforts to Strengthen the Governance Capacity

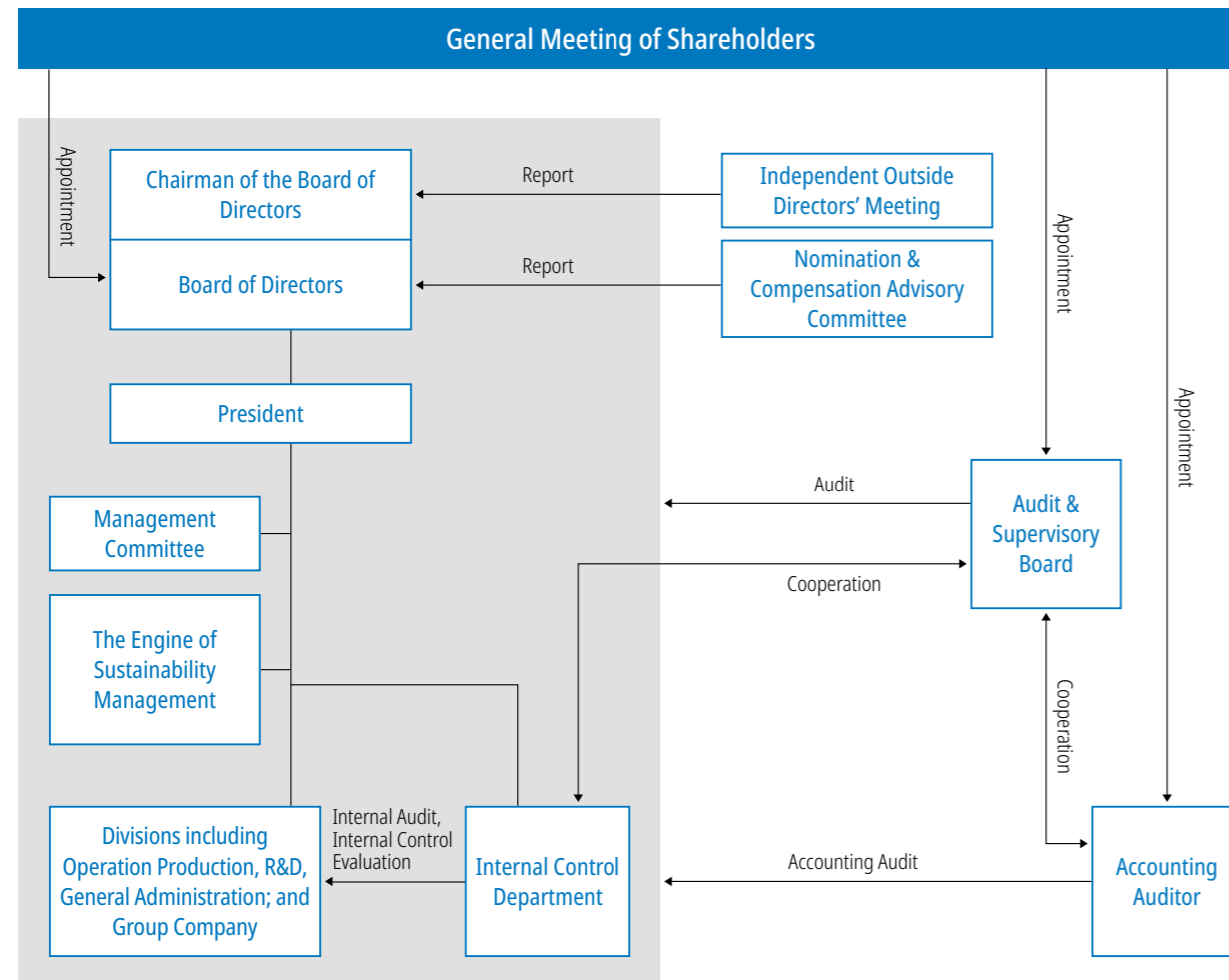
	2006-	2011-	2021-
Corporate Philosophy	2009 Established the "Declaration of Kaneka United" 2018 Established the "ESG Charter"		
Separation of management and execution	2006 Introduced the executive officer system 2006 Changed the number of directors from 21 to 13		
Outside directors	2011 Appointed an outside director 2015 Increased the number of outside directors from 1 to 2 2020 Increased the number of outside directors from 2 to 4		2022 Appointment of one female director 2023 Increased the number of female directors from 1 to 2
Committees	2015 Established the Nomination & Compensation Advisory Committee 2015 Established the Independent Outside Directors' Meeting		2021 Majority of the Nomination & Compensation Advisory Committee is the Independent Outside Directors
Internal control system	2006 Formulated the Basic Policy on Internal Control System		
Corporate governance	2015 Formulated the Basic Policy on Corporate Governance		
Independence criteria for outside directors	2013 Formulated the Criteria for Independence of Outside Directors		
Effectiveness evaluation	2016 Commenced the effectiveness evaluation on the Board of Directors		

## Corporate Governance



### Corporate Governance Structure

Diagram of Corporate Governance System



### Organizational Design

We currently have four independent outside directors and two independent outside Audit & Supervisory Board Members. Since both the overseeing of business operations by the Board of Directors and auditing by the Audit & Supervisory Board are functioning well, Kaneka has chosen to be a Company with Audit & Supervisory Board under the Companies Act.

Main items	
Organizational structure	Company with Audit & Supervisory Board
Term of office of directors	1 year
Adopted executive officer system	Yes
Organization that assists the president in decision making	Management Committee
Voluntary advisory body to the Board of Directors	Nomination & Compensation Advisory Committee
Other important bodies	Independent Outside Directors' Meeting

### Directors and the Board of Directors

The Board of Directors seeks to ensure efficient and effective corporate governance in order to realize the company's sustainable growth and increase corporate value in the medium- to long-term. The Board of Directors exercises its oversight functions on overall management to ensure fairness and transparency, as well as to appoint management positions, evaluate and determine remuneration, evaluate serious risks and determine strategies to counter them, and make the best decisions on important business operations. The Board of Directors makes resolutions on important matters related to the management of the Kaneka Group after deliberation by the Management Committee, which includes the president. There are at most 13 members on the Board of Directors. Of

these, four are independent outside directors, in principle, to strengthen the oversight function. Directors serve for a period of one year to clearly define management responsibilities. The Board of Directors met 14 times in FY2024. (The rate of attendance by Directors and Audit & Supervisory Board Members was 100%). Based on the rules of the Board of Directors, it discussed and decided on the mid-term management plan, annual budget, financial policy, key personnel, quarterly/year-end accounts, and strategic investments. The Board of Directors also received and discussed reports on each business division with regard to progress on the mid-term management plan and the monitoring of issues.

### Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members and the Audit & Supervisory Board seek to ensure healthy and sustainable corporate growth and to establish a structure with good corporate governance that can gain social trust by checking on the performance of directors in regard to their duties. The Audit & Supervisory Board comprises four members, two of whom are independent outside members, and performs audits in coordination with

the Accounting Auditor and the Internal Control Department. Audit & Supervisory Board Members are given space to periodically exchange views with the representative director, and monitor the state of business operations when necessary, by attending key meetings of the Board of Directors and those of the Management Committee, which decides on the implementation of important matters, as well as division head meetings.

### Nomination & Compensation Advisory Committee/Independent Outside Directors' Meeting

We have established the Nomination & Compensation Advisory Committee and Independent Outside Directors' Meeting. The Nomination & Compensation Advisory Committee discusses remuneration of Directors, and candidates for Directors and Audit & Supervisory Board Members, and reports them to

the Board of Directors. The Independent Outside Directors' Meeting discusses the effectiveness of the Board of Directors to report to the Chairman of the Board of Directors. In order to increase neutrality, the majority of the Nomination & Compensation Advisory Committee are the independent outside directors.

### Implementation of Business Operations

Kaneka has adopted the executive officer system to harmonize the oversight function of directors with the implementation function of business operations, which also facilitates decision-making and clearly defines roles. The Board of Directors decides on key management strategies and business operations of the entire Kaneka Group, while executive officers handle business operations in their respective areas of responsibility. The Executive Officers' Meeting is held monthly to share management

policies and issues with the aim of achieving management goals speedily. Division heads, including executive officers appointed by the Board of Directors, are given extensive authority over daily business execution. Monthly division head meetings are held to enable the directors and Audit & Supervisory Board Members to directly hear progress reports from each division head. The Internal Control Department evaluates the effectiveness of internal control and conducts an internal audit.

## Corporate Governance

### Selection Criteria for Directors

At Kaneka, directors are selected by the Board of Directors, on the basis of character, judgment, expertise and experience as well as ethics, after deliberation by the Nomination & Compensation Advisory Committee, which is comprised of directors and independent outside directors. We are expanding diverse businesses globally. In order for the Board of Directors to make accurate and prompt decisions and supervise these corporate activities, we place great importance on appointing

directors with different backgrounds such as diverse knowledge, experience, and expertise. Specifically, we expect knowledge, experience, and expertise related to business, global, technology, diversity and corporate & governance. We also believe that the Board of Directors as a whole has well-balanced knowledge, experience, and expertise, and is composed of an appropriate number of people. In selecting directors, no restrictions are made in terms of gender, age or nationality.

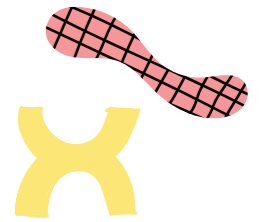
### Skills Matrix of the Members of the Board

Name	Position in the Company	FY2024 attendance at Meetings of the Board of Directors	Knowledge, experience, and expertise				
			Business	Global	Technology	Diversity	Corporate & Governance
Kimikazu Sugawara	Chairman of the Board (Representative Director)	100%	○	○		○	○
Kazuhiro Fujii	President (Representative Director)	100%	○	○		○	○
Shinichiro Kametaka	Member of the Board, Executive Vice President	100%	○	○		○	○
Mamoru Kadokura	Member of the Board, Executive Vice President	100%	○	○	○	○	
Katsunobu Doro	Member of the Board, Managing Executive Officer	100%	○	○		○	
Jun Enoki	Member of the Board, Managing Executive Officer	100%	○	○		○	○
Toshio Komori	Member of the Board, Managing Executive Officer	100%	○	○		○	○
Masaaki Kimura	Member of the Board, Managing Executive Officer	100%	○	○	○	○	
Mamoru Mohri	Independent Member of the Board	100%		○	○	○	○
Jun Yokota	Independent Member of the Board	100%		○		○	○
Yuko Sasakawa	Independent Member of the Board	100%	○			○	○
Hiroshi Miyake	Independent Member of the Board	100%		○		○	○

Note: The above details are true as of the end of the 101st Annual General Meeting of Shareholders held on June 27, 2025. The table above does not show all the skills of each Member of the Board.



### Analysis and Evaluation of Effectiveness of the Board of Directors



Each year, Kaneka implements an analysis and evaluation of the effectiveness of the Board of Directors, and discloses a summary of the evaluation results. Specifically, the Chairman of the Board of Directors periodically receives reports from the Independent Outside Directors' Meeting and opinions from the internal directors. Based on these reports, the current status of operations of the Board is evaluated. In the evaluation process in FY2024, the Independent Outside Directors' Meeting held discussions focusing on the operation of the Board of Directors (number of meetings held, frequency, length, contents of

information provided beforehand, contents of agendas, deliberations, etc.), role of outside directors, information provision to outside directors, and risk management. Based on the discussion results, the Board of Directors conducted a self-evaluation. As a result, it has been confirmed that the Board of Directors functions effectively in making decisions on important matters for the Group such as risk management and supervising business execution. We will continue to enhance the effectiveness of our Board of Directors through effectiveness evaluations.

### Standards for Independence of Outside Directors/Audit & Supervisory Board Members

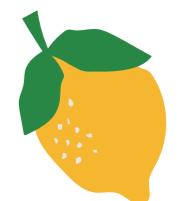
We have defined the Standards for Independence of Outside Directors/Audit & Supervisory Board Members to guarantee the independence of independent outside directors and Audit & Supervisory

Board Members in practice. The standards are disclosed in our notice of convocation of general meeting of shareholders, corporate governance report, etc.

### Support Framework for Outside Directors/Outside Audit & Supervisory Board Members

For outside directors, the secretariat of the Board of Directors seeks to provide full explanations of the background, purpose, and content of proposed agenda items for Board meetings in advance. Outside directors attend Board meetings and make appropriate remarks based on their wealth of knowledge. They also receive monthly business reports from directors and share opinions as appropriate. In addition, they meet regularly with the representative directors and attend meetings of the Nomination & Compensation Advisory Committee and the Independent Outside Directors' Meeting to exchange views.

Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and the Audit & Supervisory Board, where they make appropriate remarks. They also receive monthly reports from the full-time Audit & Supervisory Board Members on auditing operations, exchanging views and discussing critical matters. Furthermore, they meet with the representative directors and attend the Independent Outside Directors' Meeting to exchange opinions. We have established a secretariat for the Audit & Supervisory Board and appointed assistants to support Board Members in their duties.



## Corporate Governance



### Remuneration of Members of the Board, etc.

Matters relating to decision policies relating to the details of individual remuneration, etc., of Members of the Board.

#### How this policy is determined

The Company decided on this policy by resolution of the Board of Directors held on February 9, 2021

following deliberation by the Nomination & Compensation Advisory Committee.

#### Basic policy

The remuneration of our directors is appropriate, fair, and balanced. It aligns to the medium- to long-term interests of shareholders, increasing the motivation of Members of the Board toward maximizing the Company's corporate value. Remuneration for internal directors consists of monthly remuneration as fixed remuneration,

bonuses as performance-linked remuneration, and stock option remuneration as non-monetary remuneration. Individual remuneration is determined according to the job responsibilities of each individual. For outside directors, only monthly remuneration is provided as fixed remuneration.

#### Total Amount of Remuneration for Directors and Audit & Supervisory Board Members

Category	Personnel eligible for payment	Total amount paid	Total amount by type of remuneration		
			Basic remuneration	Performance-linked remuneration (bonus)	Non-monetary remuneration (stock option remuneration)
Directors (Of which, outside directors)	13 (4)	705 million yen (68 million yen)	541 million yen (68 million yen)	120 million yen (-)	43 million yen (-)
Audit & Supervisory Board Members (Of which, outside Audit & Supervisory Board Members)	4 (2)	82 million yen (34 million yen)	82 million yen (34 million yen)	-	-

Note: Amounts are rounded down to the nearest unit.

The amount for non-monetary remuneration (stock option remuneration) 43 million yen is the cost amount recorded for the most recent stock acquisition rights granted to eight directors excluding outside directors.

### Policy on Strategic Shareholdings

Kaneka holds the minimum number of strategic shareholdings necessary for maintaining and strengthening business relationships, business alliances, and capital alliances.

Each year we periodically review our strategic shareholdings after comprehensively assessing the appropriateness of the purpose of the holdings and the economic rationale in terms of the returns and risks associated with such holdings. When we determine that a holding is of low necessity, we reduce the number of shares that we hold. Each

year, we report on these initiatives to the Board of Directors and disclose an overview of them. In FY2024, we sold 12 listed stocks including partial sales as a result of the assessment described above.

In addition, the exercise of voting rights pertaining to the shares held by the policy will be carried out after determining the approval or disapproval of each individual proposal after setting the exercise criteria.

#### Disposal Status of Strategic Shareholdings

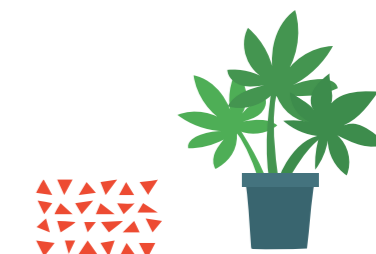
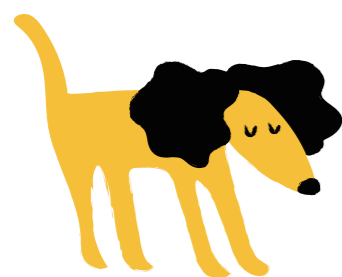
	FY2021	FY2022	FY2023	FY2024	FY2025
Number of listed stocks sold	3	4	17	12	8(*)
Total amount sold related to decrease in number of shares (million yen)	36	2,283	8,834	8,100	12,846

\* Figures for FY2025 are up to the 3rd quarter

### Basic Policy for the Internal Control System and Status of Operation

The Company has established a Basic Policy for the Internal Control System by resolution of the Board of Directors. We periodically assess and review this policy as appropriate to ensure that our internal control system is effective. In FY2024, we confirmed the status of operations with respect to (1) the

compliance system and risk management system, (2) the system for the efficient performance of duties by directors, and (3) the system for management of subsidiaries and (4) the system for auditing by Audit & Supervisory Board Members.



## ESG Promotion



### Basic Policy

In 2018, Kaneka Group established the ESG Charter to evolve its ESG management. Aiming to provide valuable solutions globally with a focus on

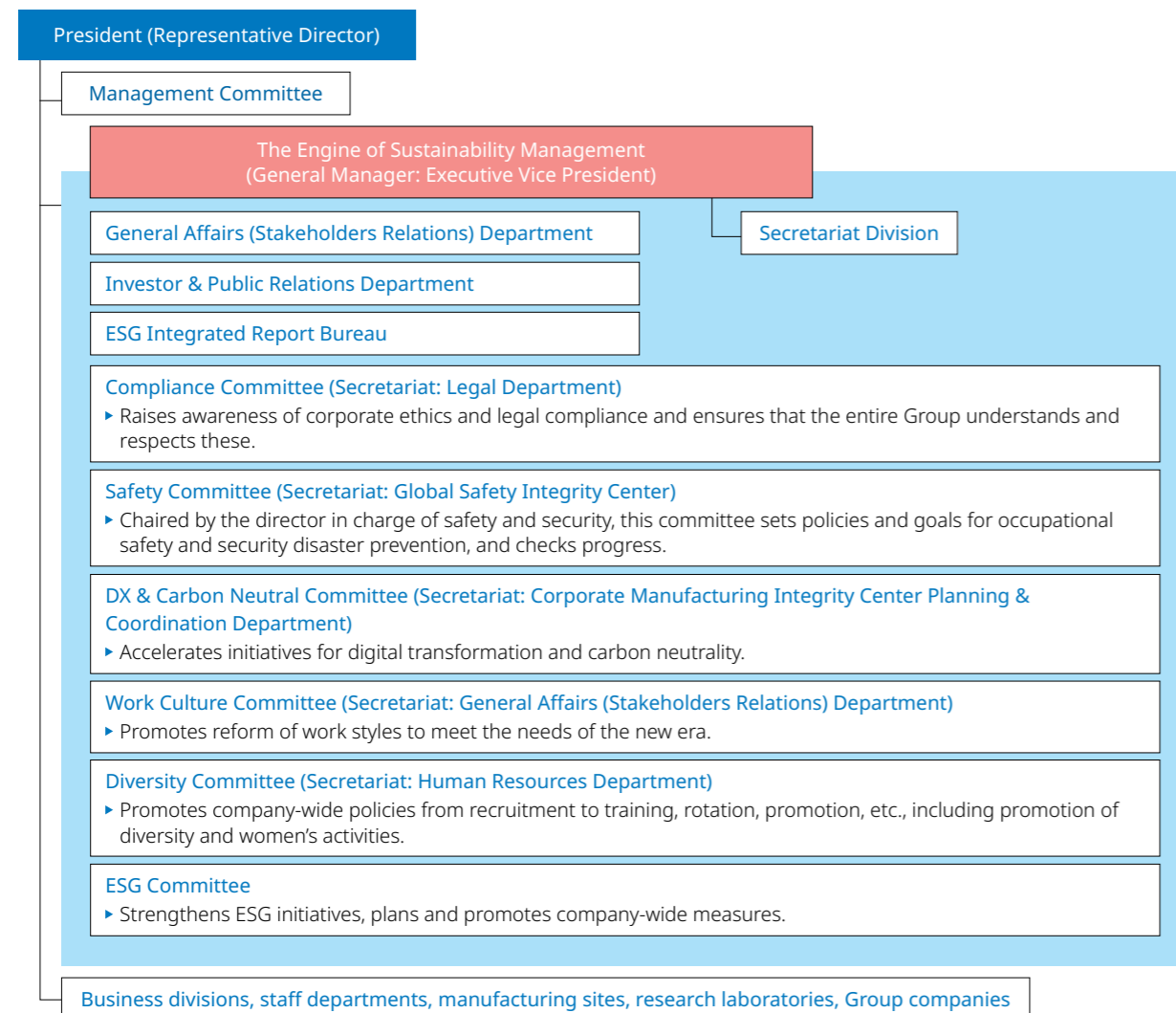
chemistry, the ESG Charter serves as an action agenda for each employee to materialize our Corporate Philosophy.

### Promotion System

On April 1, 2022, we reorganized our ESG-related organization and established the Engine of Sustainability Management to oversee and enhance ESG management. This task force consists of nine implementation organizations (including the ESG Committee newly established as of April 1, 2024),

which work to promote ESG and the SDGs by overseeing the activities of all related departments across the organization. We will work to protect the environment and strengthen “Wellness First” health management to support a society that nurtures life.

Diagram of ESG Promotion System



## Business Risks and Uncertainties



### Basic Policy

Kaneka Group has formulated a basic risk management policy to respond to potential risks in

business operations, aiming for the goal of “Wellness First” to make the world healthy.

### Risk Management System

Our basic risk management policy is that each division identifies operational risks and other types of risks that it may face, takes appropriate preventive measures, and responds appropriately in cooperation with other relevant divisions if a risk manifests itself.

When a risk occurs or is likely to occur, the Compliance Committee handles the risk in cooperation with the relevant divisions.

For preventive measures against potential risks including those related to ethics and legal compliance, the Compliance Committee oversees the development and implementation of the company-wide plans.

We regularly check whether the above-mentioned activities are implemented properly to prevent our risk management system from falling into mere formality, and strive to maintain and improve its effectiveness.

For operational risks and other risks related to our business and financial situation, see the Financial Section.

### Enhancing Crisis Management Systems

Based on our basic risk management policy, we have set forth Crisis Management Regulations that define our basic system and roles for emergency response, providing emergency examples and clarifying ranks, etc. We will continue to fulfill our social responsibility by maintaining corporate activities while avoiding and reducing adverse effects on the Kaneka Group as much as possible.

In preparation for an emergency, we regularly conduct a disaster drill and a safety confirmation system drill. We also provide employees with the Crisis Management Handbook about the initial response. This handbook explains emergency procedures: proper incident notification, instructions, consultation, and response, as well as the smooth flow of information.

### Strengthening of Information Security

Information systems play a key role in all aspects of business activities.

We believe that protecting information assets from all kinds of threats, including cyberattacks, unauthorized access, data breaches, and other risks arising from inside and outside the Group, is a key management issue. Aware of the importance of managing information and their responsibilities in this regard, all directors and employees in the Kaneka Group are committed to properly managing information.

Systems Department), we have set up an organization for information security. Through this organization, which is headed by the Group information management manager who is the director in charge, we appropriately manage information to avoid information leakage and other risks, and promote effective use of information and efficiency in operations. The Kaneka Group is working to reinforce various security measures to prevent serious information security incidents.

We have put in place a risk management system at the Kaneka Group that is led by management. Within the Digital Solutions Center (Information

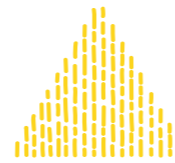
In FY2024, there were zero serious information security incidents resulting in suspension of operations, leaks of personal information, or other damage.

## Compliance

### Basic Policy

Viewing compliance as an important management issue, we implement various initiatives to ensure compliance among all directors and employees not only with all applicable laws and regulations, but also with business and social ethics. We aim to improve our compliance activities by thoroughly

implementing the ESG Charter and the Code of Ethical Conduct, which serve as the guidelines for the behavior of each director and employee, enabling us to build relationships of trust with our stakeholders.



### Promotion System

We have established, under the Engine of Sustainability Management, a Compliance Committee, an organization that supervises the corporate ethics and compliance of the Kaneka Group. The Compliance Committee meets twice a year to set compliance policies and targets for the Kaneka Group and

to check on progress. We also work to oversee and direct the entire Group on compliance matters, to check the status of awareness and compliance, and to establish and maintain the appropriate consultation and reporting hotlines.

### Initiatives for Corporate Ethics and Legal Compliance

Kaneka Group carries out business activities globally and as various rules are strengthened around the world, we must ensure even greater legal compliance. Improving compliance is important for building trust with stakeholders and vital for our business activities. Our Fair Trade Management

Regulations require directors and employees to engage in fair transactions not only in sales and purchasing but in all business operations; and prohibit anti-competitive conduct related to anti-trust laws and other fair trade laws in Japan and overseas.

### Internal Reporting and Establishment of Consultation Hotlines

To prevent compliance violations and ensure early detection and remediation, we have established whistleblowing (internal reporting) services within the Company and at outside law firms. The whistleblowing services accept reports and consultations regarding misconduct (violations of laws and regulations, internal rules, and corporate ethics by directors and employees). The services are available to Kaneka Group directors and employees and their families, former employees who have resigned within the past year, and businesses with which the Company has relationships, including partner companies and suppliers. The services can be used anonymously. Our Whistleblower Protection Regulations define the reporting framework, response procedures for consultations, and responsibilities of those involved, to ensure that whistleblowers and those seeking consultation are not subject to adverse treatment in violation of the Whistleblower Protection Act.

These rules also strictly maintain the confidentiality of whistleblowers, those seeking consultation, and the content of reports and consultations. We have also established consultation hotlines for harassment at each workplace. Each one is staffed with several counselors, including Health Consultation Office and Human Resources Department staff as well as labor union representatives. Kaneka's internal rules stipulate that members who receive consultations through the whistleblowing services or various other forms of consultation must maintain rigorous confidentiality and protect personal information, and prohibit the leaking of information. In FY2024, there were three cases of reporting and consultation. Fact-finding investigations and hearings were conducted, and the cases were handled in accordance with rules on whistleblowing and other criteria. Details of the cases are reported to the Compliance Committee chair.

## Intellectual Property

### Basic Policy

Kaneka Group secures intellectual property rights, such as patents, for the results of its R2B+P activities, aiming to contribute to the prompt provision of solutions to help resolve social issues. Researchers and engineers recognize intellectual property as an output of R2B+P activities and actively seek to acquire intellectual property rights based on their results. To respect the intellectual property rights of others and avoid patent disputes, we make sure to carry out patent searches, trademark searches, and

design surveys at various stages in the business development process, such as theme proposals, capital investments, commercialization, specification changes, and brand naming, taking every possible precaution to ensure clearance. We align our intellectual property strategy closely with our business strategy. In priority technology areas, we create high-quality inventions and file patent applications to secure competitive advantage, building an intellectual property portfolio that supports sustainable business growth.



### Promotion System

The Intellectual Property Department, which operates directly under the President, works to secure and maintain the Kaneka Group's intellectual property in terms of both quantity and quality to support our business. At each of our regional headquarters, we have assigned intellectual property specialists to respond directly to local issues. We are also strengthening collaboration between the various Group companies and the Intellectual Property Department to mitigate intellectual property risks and prevent leaks of trade secrets. Based on our Corporate Governance Code, we

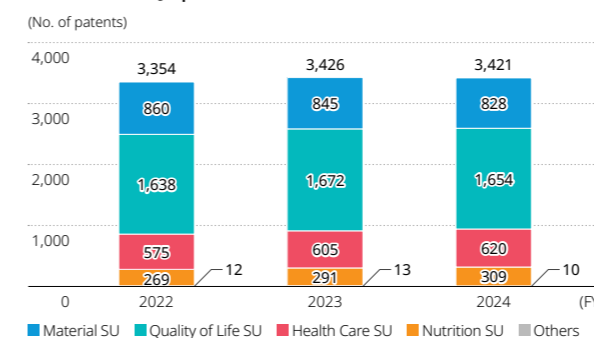
continue activities to improve our governance of intellectual property. We hold monthly reporting meetings with the director in charge of the Intellectual Property Department. In addition, to strengthen our intellectual property strategies, meetings are held once a year for each division. These meetings are attended by general managers of the division, the research division, and the Intellectual Property Department. We will continue to strengthen the linkage between our intellectual property strategy and the business and research strategies of each division, with the aim of contributing to business performance.

### Creation of Intellectual Property

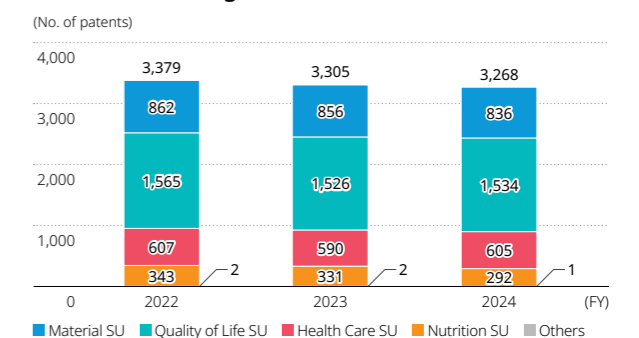
To strengthen the business portfolio, Kaneka proactively files patent applications in Japan and overseas and works to acquire rights. In FY2024, 393 Japanese patents and 243 foreign patents were newly registered. At the same time, we are working to efficiently manage the costs of intellectual property. As a result of actively surrendering dormant patents, we held 3,421 Japanese patents

and 3,268 foreign patents as of the end of FY2024, roughly the same number as the previous year. Going forward, we will build a strategic intellectual property portfolio that emphasizes both quantity and quality. We will focus not only on expanding the portfolio but also on creating and maintaining high-value patents that enhance business competitiveness.

#### Number of Japanese Patents Held



#### Number of Foreign Patents Held



## Environment



### Basic Policy

In keeping with our corporate philosophy, we at the Kaneka Group will contribute to realizing sustainable development and the enrichment of society by

conserving resources and reducing environmental impacts at each stage of the entire product lifecycle.

### Promotion System and Policy

When dealing with important matters relating to global environment protection, the Corporate Manufacturing Integrity Center, which operates directly under the President, and the Global CSV (Quality Environment) Center take the lead role in sharing the issues with the Management Committee, the Plant Management Committee, and other relevant bodies and then formulating policies and measures.

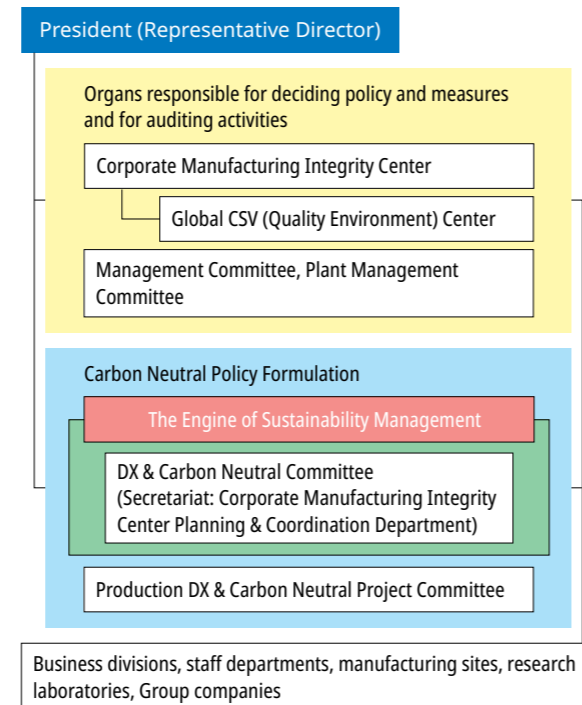
As to carbon neutrality, we have established a DX & Carbon Neutral Committee under the control of the Engine of Sustainability Management to accelerate initiatives.

In our business activities, we are taking steps to reduce environmental impact and ensure appropriate chemical substance management and information disclosure, with the Global CSV (Quality Environment) Center playing the central role in environment conservation activities.

Meanwhile, toward realizing a sustainable society, we have set out the Basic Policies for Responsible Care under which we ensure strict observance of laws protecting human health and safety and rigorous compliance with environmental legislation such as the Air Pollution Control Act and the Water Pollution Control Act and the criteria set out in related agreements. Internal auditing, ESG safety

and quality inspections, and other tools are used to confirm compliance and to manage environmental impact and risk reduction.

#### Diagram of Promotion System



#### Basic Policies for Responsible Care

1. Protect the natural ecosystem and reduce environmental impact
2. Offer safe products and information
3. Develop products and technologies in consideration of the environment and safety
4. Reduce waste and promote the recycling of plastics
5. Enhance process safety, disaster-prevention, and occupational safety and health
6. Win public confidence



### Targets and Performance

FY2024 target		FY2024 performance
Energy intensity index (*1)	Average annual reduction of 1% or more	95.6 (four parent manufacturing sites (*2)) (99.4% year-on-year change) Five-year average change rate 100.9%
CO <sub>2</sub> emission intensity index (*3)	Average annual reduction of 1% or more (fixed emissions factor) Estimated FY2024 performance 89.5 (FY2030 target 84.3)	86.4 (four parent manufacturing sites (*2))
Air and water pollution prevention		Strict compliance with standards set by Air Pollution Control Act/Water Pollution Control Act and with criteria agreed with local governments
Chemical substance emissions reduction	VOC emissions 1,800 tons or below	Target achieved: VOC emissions of 1,728 tons
Waste reduction	Kaneka final landfill disposal rate: 0.2% or below Zero emissions (*4) at Kaneka and Group companies in Japan	Kaneka final landfill disposal rate 0.008% Zero emissions achieved by Kaneka and Group companies in Japan based on final landfill disposal rate of 0.26%
Check legal compliance of waste disposal subcontractors		Visited disposal subcontractors where on-site survey was possible and carried out checklist-based inspection

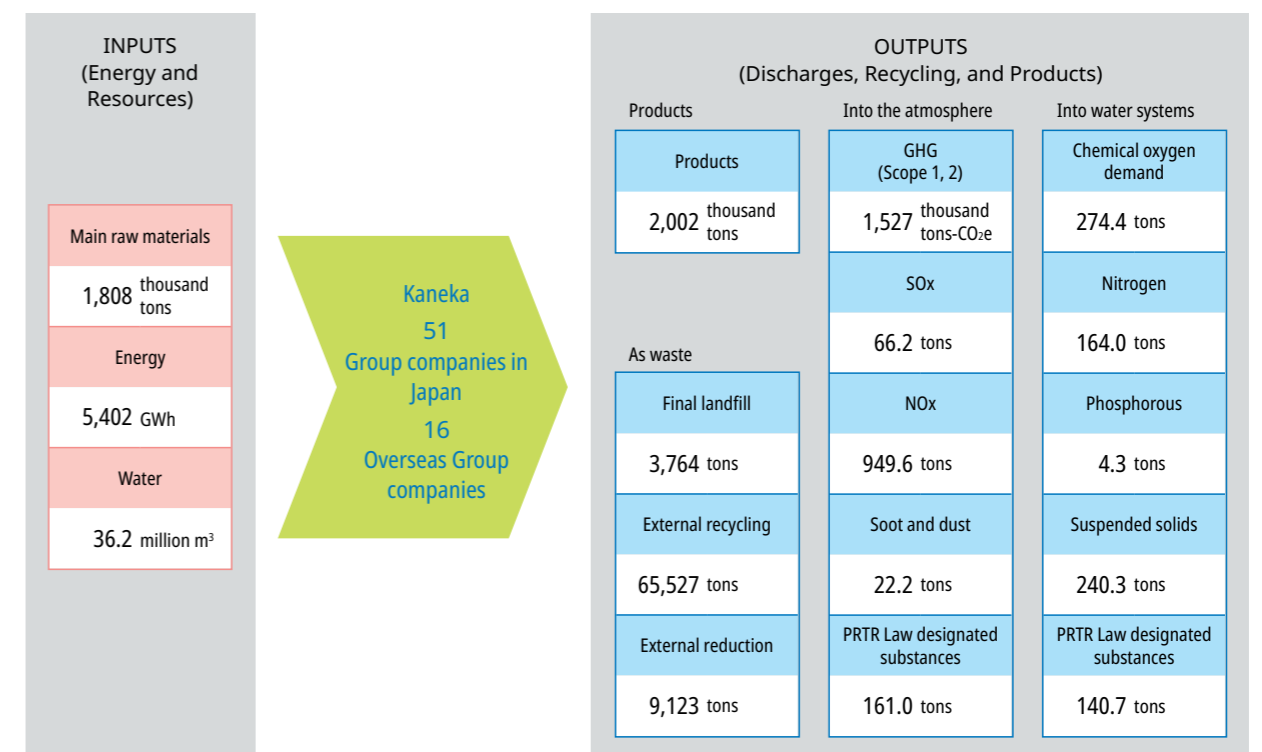
\*1 Energy intensity index: a value for energy intensity indexed against a value of 100 for FY2013. The value is calculated by dividing manufacturing energy consumption by activity volume (production volume of four parent manufacturing sites).

\*2 Four parent manufacturing sites: Takasago Manufacturing Site, Osaka Manufacturing Site, Shiga Manufacturing Site, and Kashima Manufacturing Site. The Tomatoh (Hokkaido) Manufacturing Site, completed in August 2024, is not included.

\*3 CO<sub>2</sub> emission intensity index: a value for energy origin CO<sub>2</sub> emission intensity indexed against a value of 100 for FY2013. The value is calculated by dividing energy origin CO<sub>2</sub> emissions by activity volume.

\*4 Zero emissions: final landfill disposal volume at Kaneka of less than 0.5% of total generated waste.

#### Material Balance (FY2024 Results)



## Environment

### Climate Change Initiatives

To address global warming, we are working to promote energy conservation and reduce CO<sub>2</sub> emissions through a range of measures, including our own environmental capital investment program.

We are implementing life cycle assessment (LCA) for our main products and intend to successively expand the range of products covered going

forward. We are also working to introduce carbon-life cycle analysis (cLCA) and indirect GHG emissions calculation. Carbon-life cycle analysis (cLCA) uses an LCA-based quantitative evaluation to calculate the contribution to GHG emissions reduction relative to comparable products. Indirect GHG emissions calculation covers business activities throughout the supply chain (Scope 3 emissions).

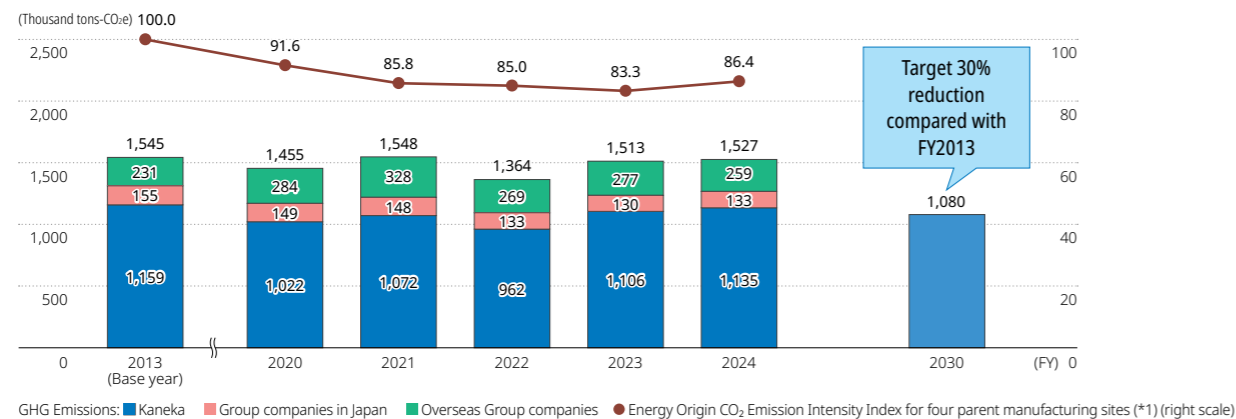
#### Actions to Reduce GHG and CO<sub>2</sub> Emission Intensity

We are working to reduce energy origin CO<sub>2</sub> emission intensity, using a CO<sub>2</sub> emission intensity index as an indicator for management, based on CO<sub>2</sub> emissions from energy consumption associated with production activities.

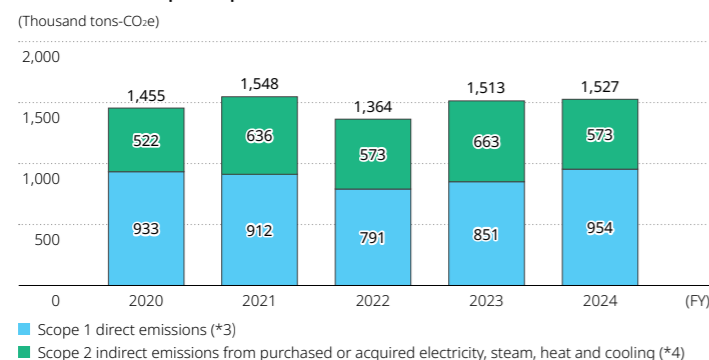
In FY2024, the energy origin CO<sub>2</sub> emissions intensity index for four parent manufacturing sites (\*1) was 86.4, exceeding our FY2024 target of 89.5 (toward a FY2030 target of 84.3). Greenhouse gas (GHG)

emissions for the Kaneka Group were 1,527 thousand tons-CO<sub>2</sub>e, up 0.1% from the previous fiscal year, due in part to increased production volume. Going forward, we will continue to take energy saving actions and, based on our strategy for carbon neutrality, will work to reduce GHG emissions by means of actions such as streamlining production processes through innovation and switching to alternative fuels.

#### GHG Emissions (\*2) and Energy Origin CO<sub>2</sub> Emission Intensity Index



#### Kaneka Group Scope 1 and 2 Emissions



\*1 Four parent manufacturing sites: Takasago Manufacturing Site, Osaka Manufacturing Site, Shiga Manufacturing Site, and Kashima Manufacturing Site. The Tomatoh (Hokkaido) Manufacturing Site, completed in August 2024, is not included.

\*2 GHG emissions volume: a value indicating the sum total of energy origin CO<sub>2</sub> emissions, non-energy origin CO<sub>2</sub> emissions, and the CO<sub>2</sub> equivalents of methane and N<sub>2</sub>O, and NF<sub>3</sub> emissions, calculated in accordance with the GHG protocol.

\*3 Non-energy CO<sub>2</sub> emissions and CO<sub>2</sub>-equivalent of methane, N<sub>2</sub>O, and NF<sub>3</sub> emissions are included.

\*4 Scope 2 emissions calculated using the location-based method were 388 thousand tons-CO<sub>2</sub>e for Kaneka and 68 thousand tons-CO<sub>2</sub>e for Group companies in Japan. For overseas Group companies, Scope 2 emissions were the same calculated using location-based and market-based methods.

### Preventing Pollution and Managing Chemical Substances

We are working for the prevention of air and water pollution, the appropriate management of toxic chemical substances, and the reduction of related emissions.

Our production activities comply with the standards specified in the Air Pollution Control Act and the Water Pollution Control Act as well as the criteria in agreements with local governments, and we have established our own internal targets that are stricter than those criteria.

To conserve water resources, we monitor the amount of water intake and strive to use water efficiently. To prevent water pollution, we aim to maintain and improve the quality of wastewater discharged into public water bodies.

For water risk assessments, we use an assessment

tool (Aqueduct Water Risk Atlas) to identify areas with high water stress at each Kaneka Group site and the bases of Group companies in Japan and overseas. By looking at the share of water intake from those areas in our total water intake, we have confirmed that Kaneka Group as a whole does not face high water risks. Going forward, we will broaden the geographical and time scope of our assessments, and implement prioritized measures based on the results.

In the area of chemical substance management, we reduce and control the emissions of volatile organic compounds (VOCs) and chemical substances subject to the Pollutant Release and Transfer Register (PRTR) Act, including six toxic air pollutants set independently.

### Reducing Waste and Recycling Resources

To make effective use of limited resources, we work to reduce and recycle industrial waste through 3R(reduce, reuse, and recycle) initiatives. At Kaneka and our Group companies in Japan, we are also working toward achieving zero emissions (\*2), defined as keeping final landfill disposal below 0.5% of total waste generated.

In addition, across the Kaneka Group we are promoting the recycling of waste and waste plastics and cutting landfill volumes, with a goal of

improving our resource recycling rate (\*5) by 1% each year and using resources more efficiently. We will continue promoting the 3Rs as well as the improvement activities through process analysis at Group companies in Japan using Material Flow Cost Accounting (MFCA).

\*5 Recycling rate: Volume of generated industrial waste that is recycled (total figure for industrial waste that is subject to reuse, recycling or heat recovery).

### Biodiversity

Considering the impacts of our businesses on ecosystems, we at Kaneka strive to develop technologies, materials and products that have less environmental impacts, as well as to mitigate the environmental impacts of our production.

As part of our corporate social responsibility efforts, we also collaborate with stakeholders outside the

company in biodiversity conservation activities.

- Takasago Manufacturing Site: Kaneka Forestry for the Future (reopened in June 2024)
- Osaka Manufacturing Site: Settsu-no-mori Kaneka Biotope
- Shiga Manufacturing Site: Walnut School

#### Participation in Biodiversity Activities

- Keidanren Initiative for Biodiversity Conservation
- Japan Business and Biodiversity Partnership



## Safety (Process Safety and Disaster Prevention, Occupational Safety)

### Basic Policy

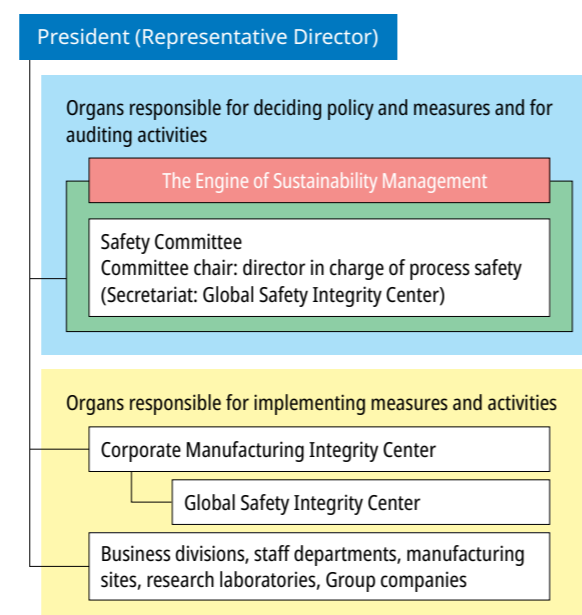
Placing the top priority for management on safety, we have established the Basic Policy on Safety. All employees as well as all persons working at the Kaneka Group and our partner companies work to

create safe and healthy workplaces, pursuing the goal of zero occupational accidents and zero process accidents.

### Promotion System and Policy

Established under the Engine of Sustainability Management, the Safety Committee sets policies and goals related to occupational safety, process safety, and disaster prevention and to check their implementation and progress. As set out in our Basic Safety Policies, our Zero Accident Principles, and Kaneka Group Code of Conduct, we prioritize safety above all else, observe the principles of safety, and work to ensure that safe practice is taken on board and strictly adhered to. In this way we seek to guarantee safety and peace of mind through stable day-to-day manufacturing operations. A member of management makes in-person visits to manufacturing sites to confirm the situation on the ground and talk with employees, reaffirming the importance of placing top priority on safety. In his greetings at New Year and on the yearly anniversary of our foundation, the president also delivers a related message directly to employees.

#### Diagram of Promotion System



#### Message from the President (2025 Anniversary of our foundation)

For our plants to survive as Value Centers, it is essential not only to ensure a stable supply of products, but also to operate with sufficient consideration for the environment and safety, for the local communities who support our operations. We must also create a workplace where employees can work with peace of mind. At the heart of this is our commitment to "zero accidents and zero injuries." The workplace is a hazardous environment where even a momentary lapse can lead to a serious accident. Please always keep this in mind and thoroughly review the 3Ms (Man, Machine, Method) to ensure a safe workplace.

As part of our internal audits, we conduct ESG safety and quality inspections of all Kaneka manufacturing sites and Group companies in Japan and overseas. We conduct checks at our manufacturing sites to assess safety management from the perspectives of occupational safety and health, security and disaster prevention, environmental

conservation, quality assurance of products and work in progress, chemical substance management, and compliance. We evaluate these inspections based on evidence gathered on site, then share any items needing improvements between the head office and manufacturing sites.

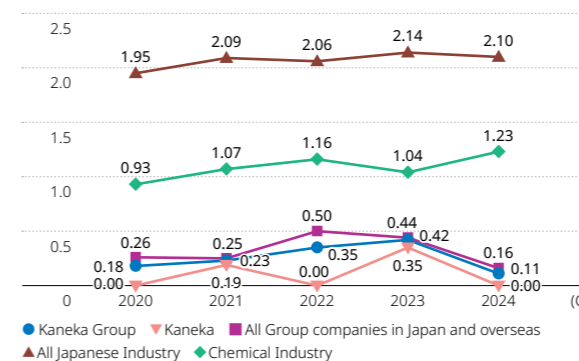
Basic Safety Policies
<ul style="list-style-type: none"> <li>● <b>Safety forms our management foundation, and is the basis of all corporate activities.</b> We take action with priority given to ensuring safety in all activities in the company.</li> <li>● <b>Safety is the foundation of local and worldwide communities' confidence in Kaneka.</b> We do our best to develop their trust.</li> <li>● <b>Safety is based on our belief that "All accidents can be prevented."</b> We always move forward without being satisfied with lukewarm results.</li> <li>● <b>Safety is the responsibility of every employee in accordance with his/her duties.</b> We fulfill our responsibilities by mutually clarifying the duties we have assumed.</li> <li>● <b>Safety must be maintained continuously.</b> We ensure safety through steady efforts on a daily basis.</li> </ul>

Zero Accident Principles
<ul style="list-style-type: none"> <li>● <b>All people, you and me, are indispensable</b> We ensure everyone is working safely. [Pledge of zero accidents]</li> <li>● <b>Safety is everyone's responsibility</b> We do not miss sparing the time to seek safety. [Participation in safety]</li> <li>● <b>There is no trick to safety</b> We always value a fundamental approach to it. [Adherence to safety basics]</li> <li>● <b>Be aware of potential danger</b> We endeavor to eliminate safety risks. [Safety in advance]</li> <li>● <b>Where there is carelessness, there is the possibility of an accident</b> We do not allow even a small chance of negligence. [99%, yet 0%]</li> </ul>

### Targets and Performance

FY2024 target		FY2024 performance
Ensure occupational safety and health	Strengthen process safety and disaster prevention	<ul style="list-style-type: none"> <li>• ESG safety and quality inspections Conducted at four parent manufacturing sites (Takasago, Osaka, Shiga, and Kashima), eight Group companies in Japan and three Group companies overseas, in accordance with the Kaneka Group ESG Safety and Quality Inspection Implementation Standards.</li> <li>• Emergency preparedness The Kaneka Group reviews its preparedness for natural disasters and evaluates the need for responses based on hazard information anticipated at each site. We made improvements after identifying deficiencies in our natural disaster response standards and through reviews of our training.</li> </ul>
Occupational accidents	Zero accidents	(Occupational accidents) Accidents resulting in lost time: 3, Accidents not resulting in lost time: 6 Process accidents: 5 (serious accidents: 1)

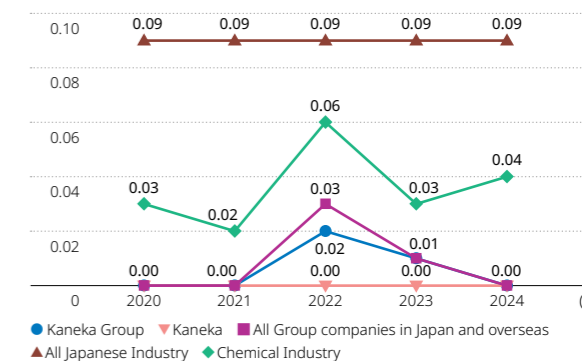
#### Accident Frequency Rate



Accident Frequency Rate: An indicator that shows the frequency of occupational accidents that caused death and/or injury by indicating the number of casualties per total 1 million working hours.

Scope: Includes manufacturing sites with regular employees, contract employees, and temporary employees dispatched from other companies. Employees seconded to or from other companies and employees of partner companies are not included.

#### Accident Severity Rate



Accident Severity Rate: An indicator that shows the level of severity of occupational accidents by indicating the number of lost work days per total 1,000 working hours. The number of lost work days is calculated as equivalent to the number of days lost from work due to an accident resulting in work absence.

## Quality (Product Responsibility)



### Basic Policy

Aiming to benefit society and satisfy customers through a stable supply of safe and reliable products and services, Kaneka Group has set Quality Management Regulations to ensure thorough

day-to-day quality control and product safety across the supply chain, from product design and development to delivery to customers.

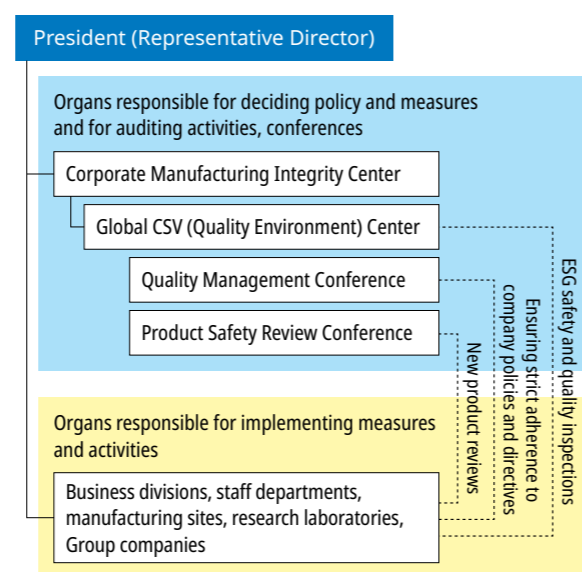
### Promotion System and Policy

The Global CSV (Quality Environment) Center oversees the Kaneka Group's quality assurance activities, managing quality—including chemical substances in products and raw materials—at every stage, from product design and development to raw material procurement, manufacturing, storage, transportation, sales, and disposal.

We hold quality management conferences, inviting personnel in charge of quality management in each business division, to instill Group-wide policies and instructions.

For new product launches, a Product Safety Review Conference meeting chaired by the Global CSV (Quality Environment) Center Director is held to ensure product safety.

Diagram of Promotion System



### Targets and Performance

FY2024 target	FY2024 performance
Inspection of Operation of Quality Management System	<ul style="list-style-type: none"> <li>We convened quality management leaders from all business divisions for quarterly quality management conferences. These sessions reinforced company-wide action plans and directives, while facilitating the exchange of ideas and sharing of quality assurance information.</li> <li>We held a product safety review conference for 11 new products set to launch, ensuring their safety and robust service systems.</li> <li>We conducted ESG safety and quality inspections at all parent manufacturing sites and 22 divisions of Japan and overseas group companies, confirming the status of quality assurance and product safety activities.</li> </ul>
Ensuring thorough compliance with laws and regulations governing chemical substances	<ul style="list-style-type: none"> <li>We held two liaison meetings, bringing together chemical substance management personnel from eight business divisions that handle chemical products.</li> <li>We conducted internal training on chemical substance management through three seminars and two e-learning programs.</li> </ul>

## Supply Chain Management



### Basic Policy

Kaneka Group works to build relationships of trust with its business partners (suppliers) with the aim of mutual increase in corporate value. Under our Basic Procurement Policy, we pursue efficient procurement activities that also take account of fairness and equity in terms of ensuring safety and quality, protecting the global environment in areas such as climate change and biodiversity, showing respect for human rights, and ensuring legal compliance.

In 2015, we signed the United Nations Global Compact to show our agreement with its principles for voluntary action in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. In 2018, with the aim of further evolving our ESG management, we additionally set out an ESG Charter as an action agenda for each individual employee to help realize our corporate philosophy. On this basis, we pursue procurement activities for a sustainable society.

Basic Procurement Policy
<ul style="list-style-type: none"> <li>We will engage in procurement activities that enhance the corporate value of both Kaneka and our business partners.</li> <li>We will endeavor to reduce environmental damage by engaging in green procurement.</li> <li>We will provide opportunities for business partners to make fair and rational transactions in consideration of quality, price, supply stability, technical development capabilities, environmental protection, and safety.</li> <li>We will abide strictly by the relevant Japanese and foreign laws and regulations.</li> </ul>

### Responsible Procurement Initiatives

In all procurement activities within the framework of our business operations, we undertake responsible procurement and management of raw materials and other resources. Our Basic Procurement Policy requires the general manager of each business division to put in place and take charge of an appropriate system to manage procurement,

including that of mineral raw materials, with the cooperation of business partners. Additionally, as part of sustainable raw material procurement that takes due account of the environment and human rights, we have acquired a Roundtable on Sustainable Palm Oil (RSPO) supply chain certification for a portion of our palm oil procurement.

### Green Procurement Based on Basic Procurement Policy

Based on the Basic Procurement Policy, Kaneka Group declared its commitment to pursue green procurement, aiming to reduce the burden on the environment. Based on this commitment, we have established the Green Procurement Standards. In FY2024, we revised our list of target substances to reflect the addition of regulated substances under the POPs Convention (\*1), Chemical

Substances Control Act (\*2), and EU REACH regulation (\*3). We also revised the Green Procurement Standards accordingly. Recognizing that green procurement initiatives are one of the most important elements of our environmental protection activities, we will continue to work actively with our business partners going forward.

\*1 POPs Convention: Stockholm Convention on Persistent Organic Pollutants

\*2 Chemical Substances Control Act: Act on the evaluation of chemical substances and regulation of their manufacture, etc.

\*3 EU REACH regulation: Regulation concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals.



## Communication with Stakeholders



### Basic Policy

Under its ESG Charter, which declares that “we fulfill our corporate responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking efforts,” Kaneka Group, aspires as a good corporate citizen to a sustainable future in partnership with all its

stakeholders. We will work to build relationships of trust with stakeholders through active information disclosure and communication with the aim of realizing this sustainable society.

Stakeholder	Communication
 Customers	<ul style="list-style-type: none"> <li>● Communication with customers through sales and marketing</li> <li>● Information posting on websites and social media</li> <li>● Exhibitions</li> <li>● Quality assurance/customer support</li> </ul>
 Society	<ul style="list-style-type: none"> <li>● Interaction with local residents/participation in local events/dialogue</li> <li>● Fostering youth development/hosting plant visits</li> <li>● Supporting disaster reconstruction</li> <li>● Participation in initiatives</li> </ul>
 Shareholders and Investors	<ul style="list-style-type: none"> <li>● Opinion exchange with investors/analysts, holding of business and results briefings</li> <li>● Timely and appropriate information disclosure on the corporate website</li> <li>● General Meeting of Shareholders</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>● Communication between employees</li> <li>● Employee health consultations</li> <li>● Labor-management dialogue</li> <li>● Penetration of internal whistleblowing system</li> </ul>
 Vendors	<ul style="list-style-type: none"> <li>● Regular questionnaire surveys and dialogue with vendors</li> <li>● Cooperation, coprosperity and coexistence with vendors</li> <li>● Quality improvement in logistics operations</li> <li>● Appropriate information disclosure</li> <li>● Internal whistleblowing system</li> </ul>
 The Environment	<ul style="list-style-type: none"> <li>● Initiatives on global environment protection/resource conservation/environmental impact reduction</li> <li>● Promotion of environmental impact reduction in raw material procurement</li> <li>● Cleaning activities/local forest conservation/environmental conservation activities</li> <li>● Appropriate information disclosure</li> </ul>

### Human Rights Policy and Initiatives

In order to realize our strong desire of “Wellness First,” we, the Kaneka Group, consider that it is the mission of Kaneka, the “Dreamology Company— Make your dreams come true—,” to take an innovative approach to science, and seek to fulfill people’s dreams by offering a wide variety of solutions. In order to fulfill this mission, we, the Kaneka Group, have announced the “Declaration of Kaneka United” which describes our Corporate Philosophy and an action agenda for each employee to materialize such philosophy. Ever since our establishment in 1949, we, the Kaneka Group, have practiced respect for human rights in our management. We see respect for human rights as a fundamental principle that

should be upheld by each company of the Kaneka Group and each of its employees. We have always kept an awareness of respect for individuality and consideration for human rights in our corporate activities. In March 2015, we became a signatory to the United Nations Global Compact, and have made daily efforts regarding human rights, labour, environment and anti-corruption. We, the Kaneka Group, will materialize our philosophy of KANEKA thinks “Wellness First” by further pursuing the realization of a world in which the human rights of every person are respected. We hereby set forth such determination as our Human Rights Policy.

Kaneka Group Human Rights Policy

<https://www.kaneka.co.jp/esg/governance/compliance/> [Japanese]



## Consolidated Financial Statements



### CONSOLIDATED BALANCE SHEETS

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
March 31, 2025 and 2024

Assets	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
<b>Current assets:</b>			
Cash and cash equivalents	¥ 44,631	¥ 43,278	\$ 298,501
Notes and accounts receivable – trade, and contract assets	176,793	186,371	1,182,403
Inventories	195,496	177,296	1,307,494
Short-term loans receivable from unconsolidated subsidiaries and affiliates	1,113	1,140	7,445
Other current assets	28,314	22,673	189,368
Allowance for doubtful accounts	(1,824)	(1,898)	(12,200)
Total current assets	444,524	428,861	2,973,013
<b>Property, plant and equipment:</b>			
Land	34,591	34,475	231,352
Buildings and structures	268,932	253,716	1,798,639
Machinery, equipment and vehicles	738,577	698,025	4,939,654
Construction in progress	45,331	63,707	303,183
Leased assets	20,800	20,859	139,114
	1,108,233	1,070,784	7,411,943
Less accumulated depreciation	(767,798)	(739,464)	(5,135,090)
Property, plant and equipment, net	340,435	331,319	2,276,852
<b>Intangible assets:</b>	33,159	20,832	221,775
<b>Investments and other assets:</b>			
Investment securities:			
Unconsolidated subsidiaries and affiliates	4,303	4,140	28,783
Other	57,349	66,479	383,557
Long-term loans receivable	500	529	3,349
Net defined benefit asset	21,205	—	141,820
Deferred tax assets	3,532	2,766	23,626
Other	15,475	15,566	103,502
Allowance for doubtful accounts	(343)	(290)	(2,299)
Total investments and other assets	102,023	89,191	682,340
	¥ 920,143	¥ 870,205	\$ 6,153,982

\* The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate on March 31, 2025 which was ¥149.52 to U.S.\$1.00.

### Liabilities and net assets

Liabilities and net assets	Millions of yen		Thousands of U.S. dollars
	2025	2024	2025
<b>Current liabilities:</b>			
Short-term loans payable	¥ 125,851	¥ 110,171	\$ 841,706
Current portion of long-term loans payable	6,659	6,361	44,541
Current portion of bonds payable	—	5,000	—
Lease liabilities	1,058	940	7,080
Notes and accounts payable:			
Trade	92,144	104,212	616,266
Construction	8,560	11,447	57,255
Other	22,808	23,865	152,544
Income taxes payable	7,013	4,963	46,904
Accrued expenses	16,270	16,011	108,818
Provision for product warranties	2,104	—	14,074
Other current liabilities	12,461	8,692	83,341
Total current liabilities	294,933	291,666	1,972,534
<b>Non-current liabilities:</b>			
Bonds payable	15,000	15,000	100,321
Long-term loans payable	57,972	40,391	387,726
Lease liabilities	16,517	17,232	110,469
Net defined benefit liability	22,032	12,585	147,354
Provision for directors' retirement benefits	331	346	2,215
Deferred tax liabilities	13,502	9,493	90,304
Provision for product warranties	573	1,808	3,838
Other non-current liabilities	6,860	7,296	45,881
Total non-current liabilities	132,790	104,156	888,113
<b>Contingent liabilities</b>			
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Common stock			
Authorized — 150,000,000 shares			
Issued — 66,000,000 shares	33,046	33,046	221,019
Capital surplus	29,871	29,173	199,781
Retained earnings	349,925	331,933	2,340,328
Less treasury stock, at cost — 3,066,508 shares in 2025			
1,851,007 shares in 2024	(11,725)	(6,797)	(78,419)
Total shareholders' equity	401,118	387,355	2,682,709
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	27,463	32,632	183,675
Deferred gains or losses on hedges	—	(0)	—
Foreign currency translation adjustments	24,847	22,037	166,180
Remeasurements of defined benefit plans	17,848	11,438	119,375
Total accumulated other comprehensive income	70,159	66,107	469,231
<b>Subscription rights to shares</b>	658	648	4,405
<b>Non-controlling interests</b>	20,482	20,271	136,987
Total net assets	492,419	474,383	3,293,334
	¥ 920,143	¥ 870,205	\$ 6,153,982

## CONSOLIDATED STATEMENTS OF INCOME

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years Ended March 31, 2025, 2024 and 2023



	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
<b>Net sales</b>	¥ 807,200	¥ 762,302	¥ 755,821	\$ 5,398,609
<b>Cost of sales</b>	581,555	558,087	556,895	3,889,481
Gross profit	225,644	204,214	198,926	1,509,128
<b>Selling, general and administrative expenses</b>	185,594	171,635	163,838	1,241,270
Operating income	40,050	32,579	35,087	267,857
<b>Other income (expenses):</b>				
Interest and dividend income	2,246	2,031	1,917	15,026
Interest expenses	(4,026)	(3,361)	(1,965)	(26,929)
Gain on sales of investment securities	6,984	7,060	1,410	46,711
Gain on sales of businesses	—	525	—	—
Depreciation of inactive non-current assets	(1,014)	(1,171)	(1,147)	(6,782)
Loss on disposal of property, plant and equipment	(3,117)	(1,722)	(1,839)	(20,852)
Loss on valuation of investment securities	—	—	(1,448)	—
Foreign exchange gains (losses), net	(715)	2,544	1,888	(4,783)
Equity in earnings of affiliates, net	156	177	137	1,044
Subsidy income	6,304	—	—	42,167
Product warranty expenses	(1,975)	—	—	(13,214)
Loss on disaster	(1,101)	—	—	(7,365)
Loss on tax purpose reduction entry of non-current assets	(1,257)	—	—	(8,411)
Provision for special suspense account for tax purpose reduction entry	(5,047)	—	—	(33,756)
Other, net	(715)	(1,855)	(1,666)	(4,786)
<b>Income before income taxes and non-controlling interests</b>	36,770	36,808	32,373	245,926
<b>Income taxes</b>				
Current	11,027	10,575	9,010	73,755
Deferred	(1,062)	1,458	(711)	(7,105)
<b>Net income</b>	26,805	24,775	24,074	179,277
Net income attributable to non-controlling interests	1,496	1,554	1,066	10,005
<b>Net income attributable to owners of parent</b>	¥ 25,309	¥ 23,220	¥ 23,008	\$ 169,271
			Yen	U.S. dollars
<b>Net income per share—basic</b>	¥ 400.91	¥ 357.90	¥ 349.59	\$ 2.68
<b>Net income per share—diluted</b>	399.67	356.87	348.66	2.67
<b>Cash dividends applicable to the year</b>	130.00	110.00	110.00	0.86

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years Ended March 31, 2025, 2024 and 2023

	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
<b>Net income</b>	¥ 26,805	¥ 24,775	¥ 24,074	\$ 179,277
<b>Other comprehensive income:</b>				
Valuation difference on available-for-sale securities	(5,241)	10,476	882	(35,053)
Deferred gains or losses on hedges	0	3	0	1
Foreign currency translation adjustments	2,864	11,133	7,594	19,160
Remeasurements of defined benefit plans	6,410	4,909	7,509	42,875
Share of other comprehensive income of associates accounted for using equity method	(0)	1	1	(2)
Total other comprehensive income	4,034	26,525	15,989	26,981
<b>Comprehensive income</b>	¥ 30,839	¥ 51,300	¥ 40,064	\$ 206,258
Comprehensive income attributable to:				
Comprehensive income attributable to owners of parent	¥ 29,361	¥ 49,054	¥ 38,549	\$ 196,371
Comprehensive income attributable to non-controlling interests	1,478	2,246	1,515	9,886

\* The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate on March 31, 2025 which was ¥149.52 to U.S.\$1.00.

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years Ended March 31, 2025, 2024 and 2023



	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
<b>Shareholders' equity</b>				
Common stock				
Balance at beginning of year	¥ 33,046	¥ 33,046	¥ 33,046	\$ 221,019
Changes of items during the period				
Total changes of items during the period	—	—	—	—
Balance at the end of current period	33,046	33,046	33,046	221,019
Capital surplus				
Balance at beginning of year	29,173	32,245	31,392	195,113
Changes of items during the period				
Increase by share exchange	—	—	789	—
Change in treasury shares of parent arising from transactions with non-controlling interests	681	(269)	63	4,560
Changes in liabilities for written put options over non-controlling interests	16	(2,802)	—	107
Total changes of items during the period	697	(3,072)	853	4,667
Balance at the end of current period	29,871	29,173	32,245	199,781
Retained earnings				
Balance at beginning of year	331,933	323,213	309,507	2,219,993
Changes of items during the period				
Dividends from surplus	(7,304)	(7,139)	(7,599)	(48,851)
Change of scope of consolidation	—	(12)	—	—
Net income attributable to owners of parent	25,309	23,220	23,008	169,271
Disposal of treasury stock	(12)	(3)	(5)	(84)
Cancellation of treasury stock	—	(7,344)	—	—
Increase by share exchange	—	—	(1,696)	—
Total changes of items during the period	17,992	8,719	13,706	120,335
Balance at the end of current period	349,925	331,933	323,213	2,340,328
Treasury stock				
Balance at beginning of year	(6,797)	(11,407)	(11,528)	(45,463)
Changes of items during the period				
Purchase of treasury stock	(5,020)	(2,814)	(8,051)	(33,576)
Disposal of treasury stock	92	78	30	620
Cancellation of treasury stock	—	7,344	—	—
Increase by share exchange	—	—	8,142	—
Total changes of items during the period	(4,927)	4,609	121	(32,955)
Balance at the end of current period	(11,725)	(6,797)	(11,407)	(78,419)
<b>Accumulated other comprehensive income</b>				
Valuation difference on available-for-sale securities				
Balance at beginning of year	32,632	22,204	21,331	218,245
Changes of items during the period				
Net changes of items other than shareholders' equity	(5,168)	10,427	873	(34,569)
Total changes of items during the period	(5,168)	10,427	873	(34,569)
Balance at the end of current period	27,463	32,632	22,204	183,675



	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
Deferred gains or losses on hedges				
Balance at beginning of year	¥ (0)	¥ (3)	¥ (4)	\$ (1)
Changes of items during the period				
Net changes of items other than shareholders' equity	0	3	0	1
Total changes of items during the period	0	3	0	1
Balance at the end of current period	—	(0)	(3)	—
Foreign currency translation adjustments				
Balance at beginning of year	22,037	11,543	4,381	147,387
Changes of items during the period				
Net changes of items other than shareholders' equity	2,809	10,493	7,162	18,793
Total changes of items during the period	2,809	10,493	7,162	18,793
Balance at the end of current period	24,847	22,037	11,543	166,180
Remeasurements of defined benefit plans				
Balance at beginning of year	11,438	6,529	(975)	76,500
Changes of items during the period				
Net changes of items other than shareholders' equity	6,410	4,908	7,504	42,875
Total changes of items during the period	6,410	4,908	7,504	42,875
Balance at the end of current period	17,848	11,438	6,529	119,375
<b>Subscription rights to shares</b>				
Balance at beginning of year	648	622	619	4,339
Changes of items during the period				
Net changes of items other than shareholders' equity	9	26	3	66
Total changes of items during the period	9	26	3	66
Balance at the end of current period	658	648	622	4,405
<b>Non-controlling interests</b>				
Balance at beginning of year	20,271	18,427	24,435	135,576
Changes of items during the period				
Net changes of items other than shareholders' equity	210	1,843	(6,007)	1,410
Total changes of items during the period	210	1,843	(6,007)	1,410
Balance at the end of current period	20,482	20,271	18,427	136,987
<b>Total net assets</b>				
Balance at beginning of year	474,383	436,422	412,204	3,172,709
Changes of items during the period				
Dividends from surplus — ¥130.00 per share	(7,304)	(7,139)	(7,599)	(48,851)
Change of scope of consolidation	—	(12)	—	—
Net income attributable to owners of parent	25,309	23,220	23,008	169,271
Purchase of treasury stock	(5,020)	(2,814)	(8,051)	(33,576)
Disposal of treasury stock	80	75	25	535
Increase by share exchange	—	—	7,235	—
Change in treasury shares of parent arising from transactions with non-controlling interests	681	(269)	63	4,560
Changes in liabilities for written put options over non-controlling interests	16	(2,802)	—	107
Net changes of items other than shareholders' equity	4,272	27,703	9,537	28,577
Total changes of items during the period	18,035	37,960	24,218	120,624
Balance at the end of current period	¥ 492,419	¥ 474,383	¥ 436,422	\$ 3,293,334

\* The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate on March 31, 2025 which was ¥149.52 to U.S.\$1.00.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

KANEKA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years Ended March 31, 2025, 2024 and 2023

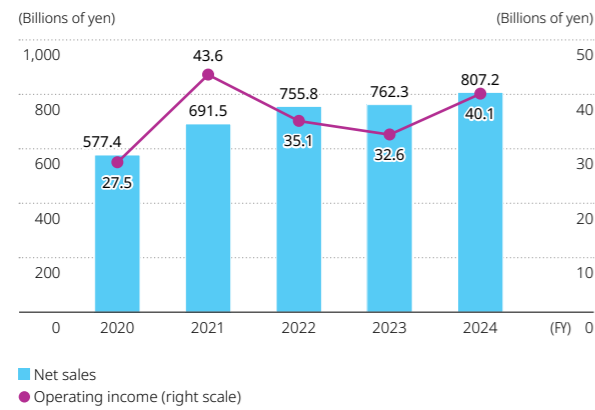


	Millions of yen			Thousands of U.S. dollars
	2025	2024	2023	2025
<b>Cash Flows from Operating Activities</b>				
Income before income taxes and non-controlling interests	¥ 36,770	¥ 36,808	¥ 32,373	\$ 245,926
Depreciation and amortization	43,937	40,779	39,456	293,854
Product warranty expense	1,975	—	—	13,214
Loss on tax purpose reduction entry of non-current assets	1,257	—	—	8,411
Provision for special suspense account for tax purpose reduction entry	5,047	—	—	33,756
Loss on disaster	1,101	—	—	7,365
Subsidy income	(6,304)	—	—	(42,167)
Decrease (increase) in net defined benefit asset	(21,205)	—	—	(141,820)
Increase (decrease) in net defined benefit liability	19,317	(1,527)	(139)	129,197
Increase (decrease) in allowance for doubtful accounts	(14)	315	(110)	(95)
Interest and dividend income	(2,246)	(2,031)	(1,917)	(15,026)
Interest expenses	4,026	3,361	1,965	26,929
Equity in earnings of affiliates, net	(156)	(177)	(137)	(1,044)
Loss (gain) on disposal of property, plant and equipment	978	531	630	6,541
Loss (gain) on sale of investment securities	(6,984)	(7,060)	(1,410)	(46,711)
Loss (gain) on valuation of investment securities	—	—	1,448	—
Decrease (increase) in notes and accounts receivable-trade	9,767	(12,450)	(3,474)	65,324
Decrease (increase) in inventories	(17,978)	(4,070)	(24,875)	(120,244)
Increase (decrease) in notes and accounts payable-trade	(12,086)	13,112	(4,785)	(80,836)
Others	(4,539)	6,344	(4,620)	(30,363)
Subtotal	52,662	73,935	34,402	352,209
Interest and dividend income received	2,267	2,057	1,942	15,165
Interest expenses paid	(4,003)	(3,308)	(1,955)	(26,774)
Proceeds from insurance income	—	—	1,177	—
Income taxes paid	(9,673)	(10,771)	(6,856)	(64,697)
Net cash provided by (used in) operating activities	41,252	61,911	28,710	275,902
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment	(51,183)	(61,315)	(39,628)	(342,319)
Proceeds from sales of property, plant and equipment	—	—	87	—
Purchase of intangible assets	(4,798)	(3,951)	(2,363)	(32,092)
Purchase of investment securities	(540)	(120)	(909)	(3,614)
Proceeds from sales and distributions of investment securities	7,761	9,856	2,509	51,908
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,246)	(1,132)	—	(61,841)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	159	—	—	1,067
Payments of loans receivable	(1,381)	(1,061)	(99)	(9,240)
Collection of loans receivable	230	282	336	1,541
Subsidies received	5,136	—	—	34,355
Others	(1,175)	(1,328)	(1,902)	(7,862)
Net cash provided by (used in) investing activities	(55,038)	(58,771)	(41,970)	(368,098)
<b>Cash Flows from Financing Activities</b>				
Net increase (decrease) in short-term loans payable	15,791	(2,378)	21,814	105,613
Proceeds from long-term loans payable	24,575	11,299	13,541	164,365
Repayments of long-term loans payable	(6,908)	(8,565)	(6,198)	(46,207)
Proceeds from issuance of bonds	—	10,000	—	—
Redemption of bonds	(5,000)	—	—	(33,440)
Repayments of lease obligations	(1,055)	(1,270)	(863)	(7,057)
Purchase of treasury stock	(5,020)	(2,814)	(8,051)	(33,576)
Proceeds from sales of treasury stock	0	0	0	1
Cash dividends paid	(7,304)	(7,139)	(7,599)	(48,851)
Proceeds from share issuance to non-controlling shareholders	—	—	0	—
Cash dividends paid to non-controlling interests	(323)	(279)	(284)	(2,162)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(301)	(372)	(6)	(2,017)
Net cash provided by (used in) financing activities	14,453	(1,519)	12,352	96,668
<b>Effect of exchange rate change on cash and cash equivalents</b>	684	926	894	4,578
<b>Net increase (decrease) in cash and cash equivalents</b>	1,353	2,547	(13)	9,051
<b>Cash and cash equivalents at beginning of period</b>	43,278	40,699	40,712	289,450
<b>Increase in cash and cash equivalents resulting from change of scope of consolidation</b>	—	32	—	—
<b>Cash and cash equivalents at end of period</b>	¥ 44,631	¥ 43,278	¥ 40,699	\$ 298,501

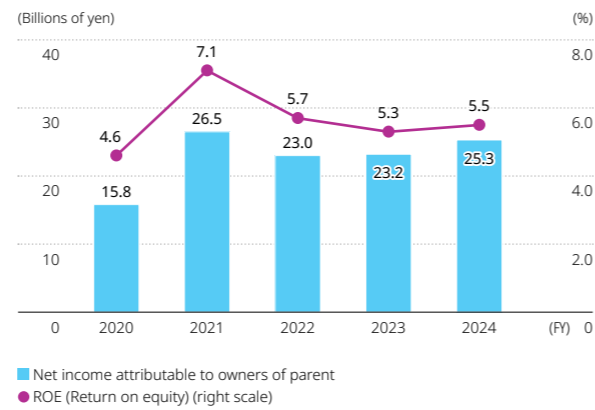
## Financial Highlights



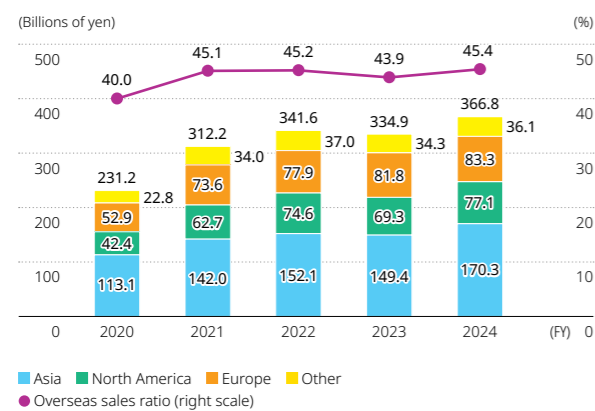
### Net Sales/Operating Income



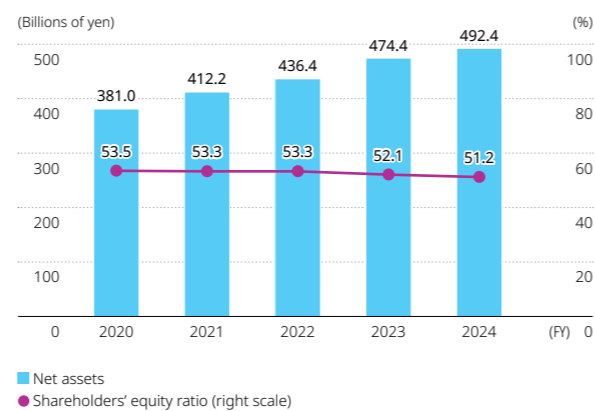
### Net Income Attributable to Owners of Parent/ROE



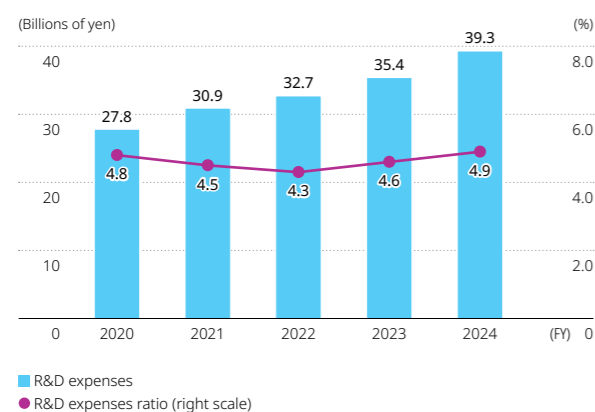
### Overseas Sales/Overseas Sales Ratio



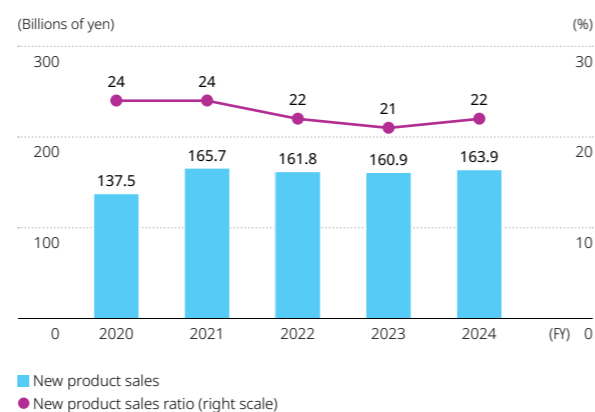
### Net Assets/Shareholders' Equity Ratio



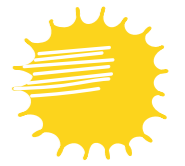
### R&D Expenses/R&D Expenses Ratio



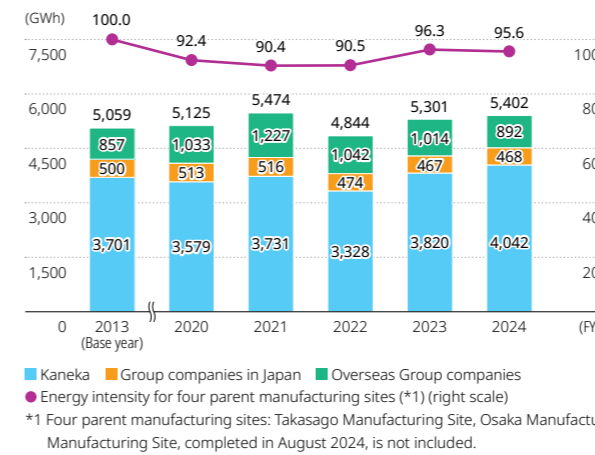
### New Product Sales/New Products Sales Ratio



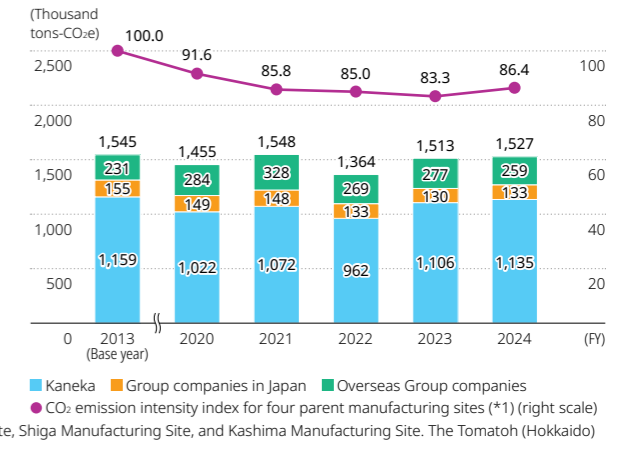
## Nonfinancial Highlights



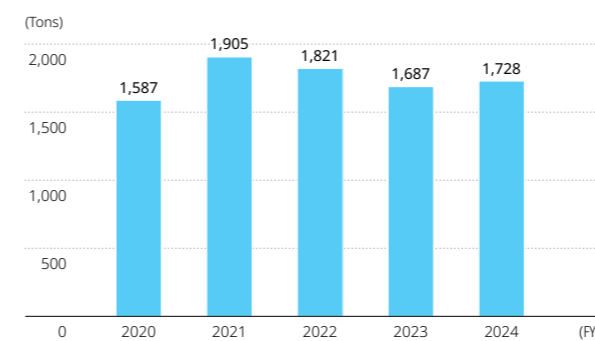
### Energy Consumption and Energy Intensity Index



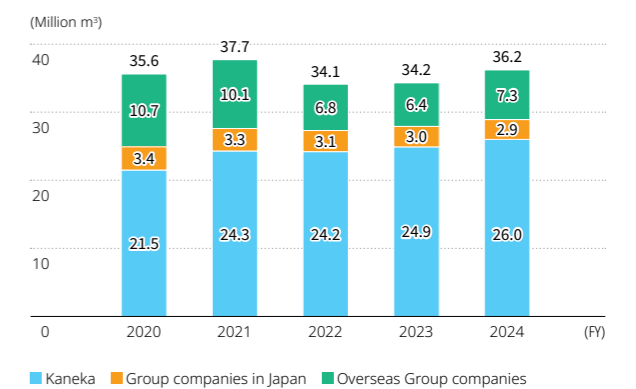
### GHG Emissions and Energy Origin CO<sub>2</sub> Emission Intensity Index



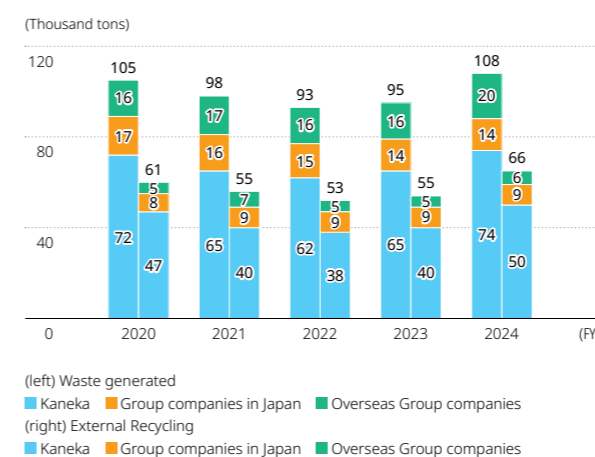
### Volatile Organic Compounds Emissions



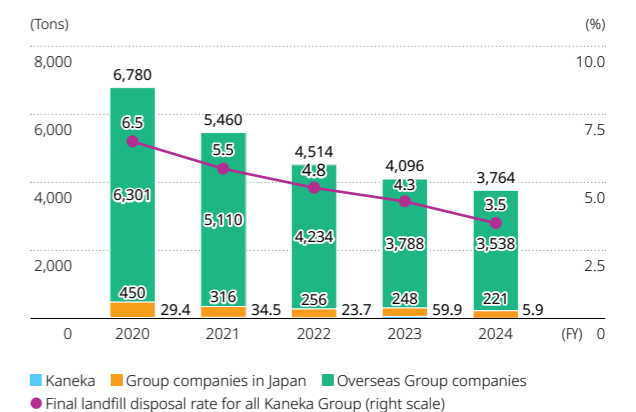
### Water Consumption



### Waste Generated and External Recycling

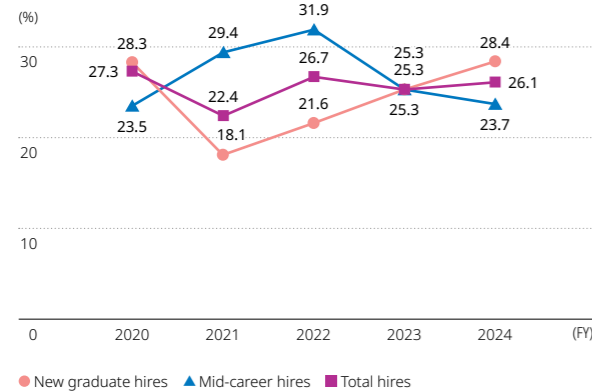


### Volume and Rate of Waste Sent to Final Landfill

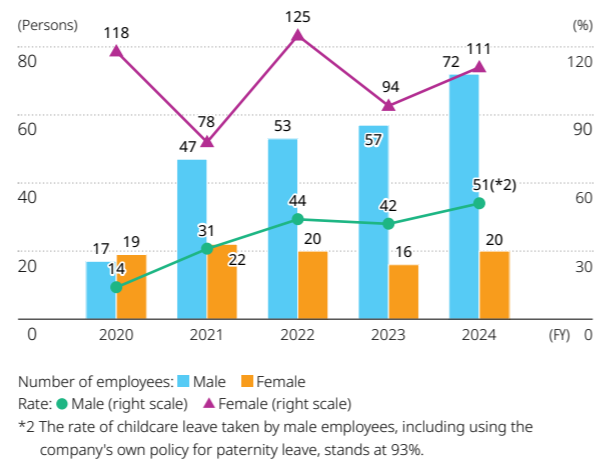


## Nonfinancial Highlights

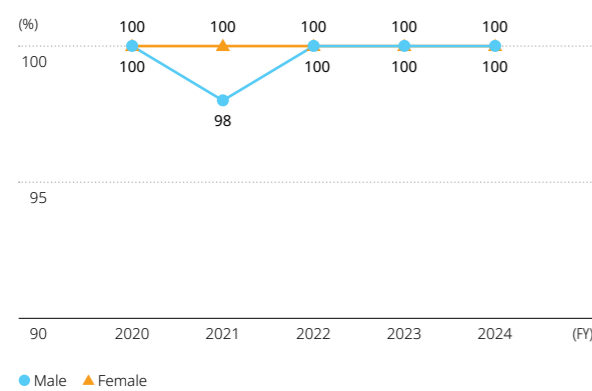
Percentage of Female Hires



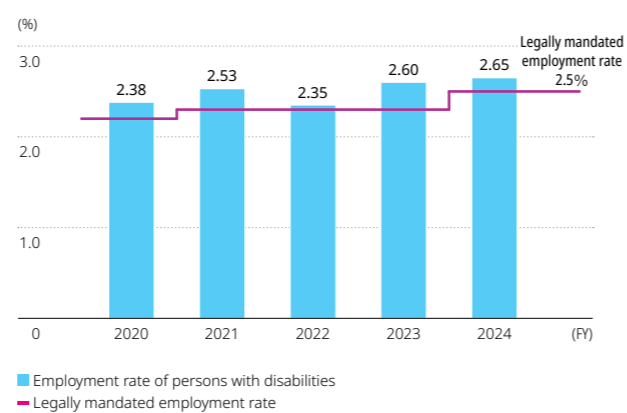
Number and Rate of Employees Taking Childcare Leave



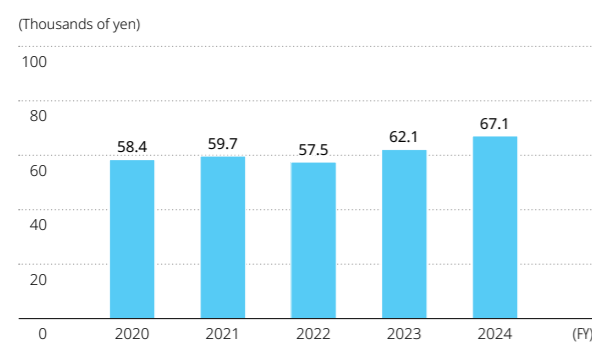
Return Rate of Employees Taking Childcare Leave



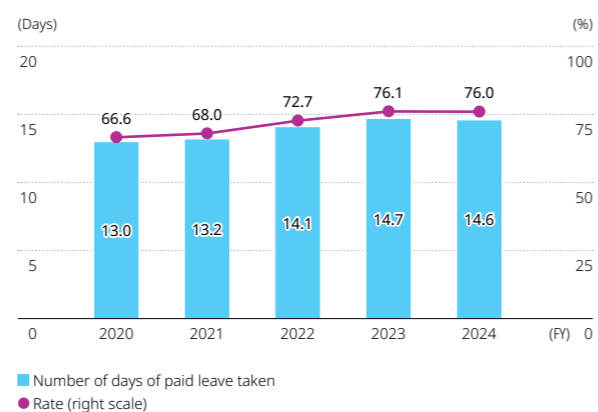
Employment Rate of Persons with Disabilities



Training Costs (per Person)



Number of Days and Rate of Paid Leave Taken



## Corporate Profile



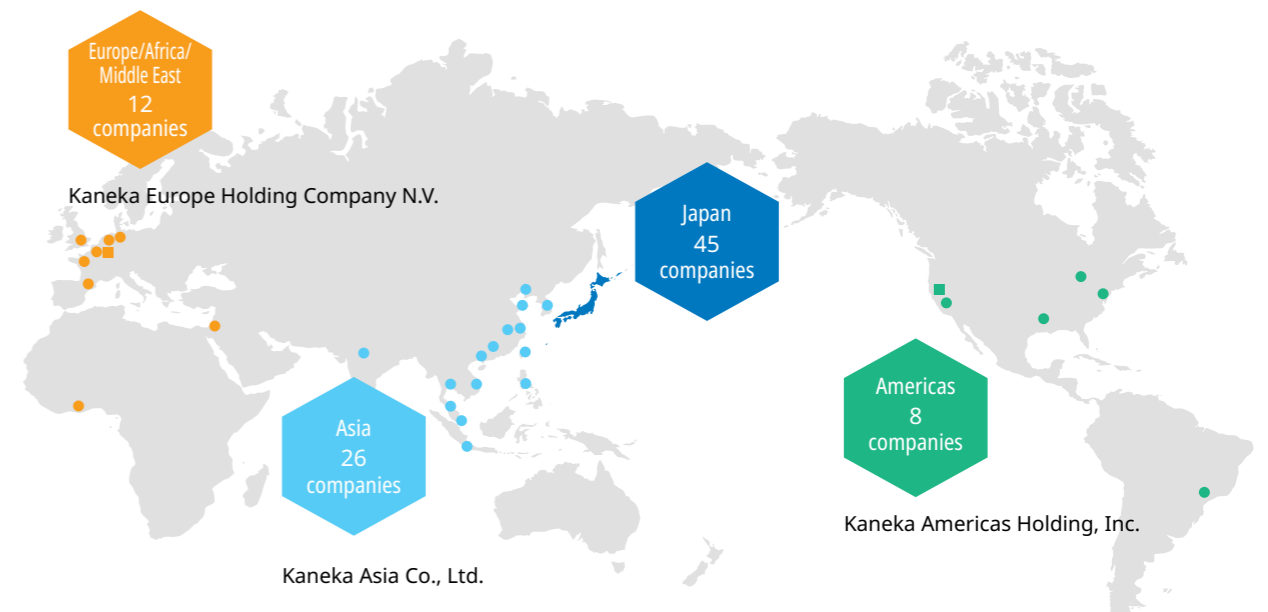
### Corporate Profile (March 31, 2025)

<b>Name</b>	KANEKA CORPORATION
<b>Offices</b>	Tokyo Head Office 1-12-32, Akasaka, Minato-ku, Tokyo 107-6028, Japan  Osaka Head Office 2-3-18, Nakanoshima, Kita-ku, Osaka 530-8288, Japan
<b>Date of Establishment</b>	September 1, 1949
<b>Paid-in Capital</b>	33,046 million yen
<b>Number of Employees</b>	11,512 (Including consolidated subsidiaries) 3,391 (Non-consolidated)

<b>Facilities in Japan</b>	<b>Sales Office</b> Nagoya (Aichi Prefecture) <b>Manufacturing Site</b> Takasago (Hyogo Prefecture) Osaka (Osaka Prefecture) Shiga (Shiga Prefecture) Kashima (Ibaraki Prefecture) Tomatoh (Hokkaido)
<b>Research Laboratories</b>	Material Solutions New Research Engine Green Planet Technology Laboratories CO2 Innovation Laboratory Electronics Research Laboratories Photovoltaic & Thin Film Device Research Laboratories Bio-Pharma Research Laboratories Regenerative Medicine and Cell Therapy Laboratories Supplement & Probiotics Research Laboratories Food Production Support Strategic Unit/Agri-Bio Research Center Engineering Research Laboratories Plastics Molding and Polymer processing Process Development Research Laboratories Thin Film Process Development Research Laboratories
<b>Affiliated Companies</b>	112 Subsidiaries (Including 45 (in Japan) and 46 (overseas) consolidated subsidiaries)
<b>URL</b>	<a href="https://www.kaneka.co.jp/en/">https://www.kaneka.co.jp/en/</a>

### Global Network (March 31, 2025)

We will establish a head office in each region so that we can run our business in a way that is rooted in the region. The Kaneka Group operates in 22 countries and regions across the world, including Japan.



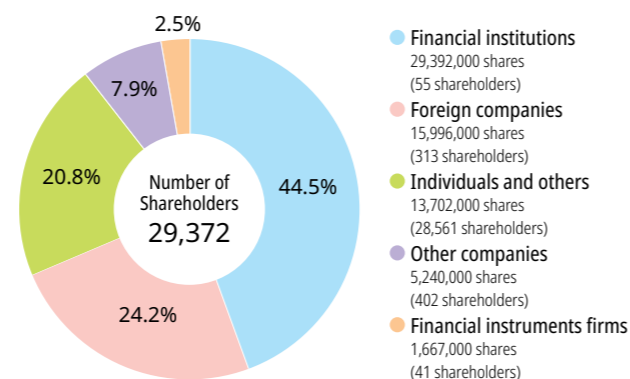
## Investor Information



### Stock Basic Information (March 31, 2025)

Common Stock Traded	Prime Market, Tokyo Stock Exchange
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Accounting Auditor	KPMG AZSA LLC
Authorized Capital	150,000,000 shares
Issued Shares	66,000,000 shares
Number of Shareholders	29,372

### Shareholder Composition



Notes: Share numbers are rounded down to the nearest thousand. Percentages are rounded to the nearest decimal point.

### Major Shareholders

Name of Shareholders	Share Units Owned (thousand shares)	Percentage of Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,624	12.11
Nippon Life Insurance Company	3,114	4.95
Sumitomo Mitsui Banking Corporation	3,091	4.91
Meiji Yasuda Life Insurance Company	2,825	4.49
Custody Bank of Japan, Ltd. (Trust Account)	2,545	4.04
MUFG Bank, Ltd.	2,308	3.67
Mitsui Sumitomo Insurance Company, Limited	2,104	3.34
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	1,509	2.40
Kaneka Business Partner Shareholding Association	1,395	2.22
Kaneka Employee Shareholding Association	1,316	2.09

Notes: The numbers of Share Units Owned are rounded down to thousands of shares. The Percentage of Total Shares Issued is calculated by using deducting number of treasury shares from Number of Shares Issued and Outstanding and rounded to two decimal places. In addition to the above list, the Company maintains 3,066 thousand shares of treasury stock.

### Common Stock Price Range (Tokyo Stock Exchange; Yen)

Years ended March 31	2021	2022	2023	2024	2025
High	5,000	4,990	4,040	4,288	4,449
Low	2,406	3,165	3,175	3,375	3,306

Note: Figures up to and including April 3, 2022 are stock prices quoted at the Tokyo Stock Exchange (First Section). Figures from April 4, 2022 on are stock prices quoted at the Tokyo Stock Exchange (Prime Market).

### ESG Index and Socially Responsible Investing Evaluation

(as of November 2025)

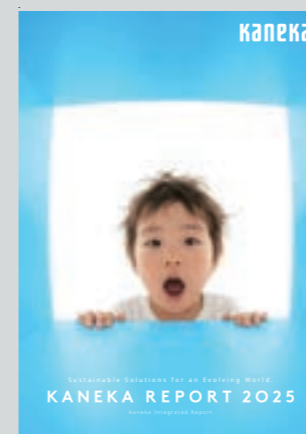
2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX



## Editorial Policy



The Kaneka Integrated Report 2025 was prepared as a booklet reporting financial and non-financial information. We hope that it will help stakeholders understand the Kaneka Group's medium- to long-term value creation. Kaneka Group is strengthening efforts for ESG management to contribute to the sustainability of the earth and the establishment of a sustainable society. In this report, we convey our strong determination toward our mission, "KANEKA thinks "Wellness First." We outline how we find a healthy balance between social value and economic value creation through our business so that we can help solve social issues. We hope that this will help our shareholders, investors, and other stakeholders deepen their understanding of our company.

### Reporting Organizations

The scope of reporting includes Kaneka and its consolidated group companies in Japan and overseas. However, the scope of data concerning ESG activities covers Kaneka and 68 Group companies (51 in Japan and 17 overseas).

Notes: In this document, Kaneka Corporation is referred to as "the Company" or "Kaneka" and Kaneka Corporation and its group companies are referred to as "the Group" or "Kaneka Group." Where the text refers only to "Group companies," this does not include Kaneka Corporation. The totals of figures presented in tables and graphs may differ due to rounding. Some items contain revisions to data from previous years.

### Reporting period

From April 1, 2024, to March 31, 2025 (including some information outside this period)

### Referenced Guidelines

GRI Sustainability Reporting Standards; Environmental Reporting Guidelines 2012 of the Ministry of the Environment; Environmental Accounting Guidelines 2005 of the Ministry of the Environment

### Cautionary Statement Regarding Forward-looking Statements

The forward-looking statements in this report are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Such statements do not constitute a commitment by the Company that they will be achieved. Actual results may differ significantly due to various factors.

### Information Tools

Kaneka Group posts a variety of information on its official website as a tool for communicating with stakeholders.

Financial information	<ul style="list-style-type: none"> <li>▶ Financial Results and Presentations</li> <li>▶ Reports (To Our Shareholders)</li> <li>▶ Integrated Report</li> </ul> <a href="https://www.kaneka.co.jp/en/ir/">https://www.kaneka.co.jp/en/ir/</a>
Non-financial information	Further details about the Kaneka Group's ongoing ESG activities are available on our website. <ul style="list-style-type: none"> <li>▶ ESG activities</li> </ul> <a href="https://www.kaneka.co.jp/en/esg/">https://www.kaneka.co.jp/en/esg/</a>