



(Stock Code: 4118)

To Our Shareholders

**Report for the
101st Business Period**

From April 1, 2024 to March 31, 2025

KANEKA CORPORATION

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 fulfil people’s dreams by offering a wide variety of solutions.

Sustainable Solutions
for an Evolving World.



kaneka

Kaneka Integrated Report 2024

To our valued Shareholders.

Thank you for your continued support and interest in the Kaneka Group. I am pleased to report on the Kaneka Group's business activities for the 101st business period, from April 1, 2024 to March 31, 2025.

Looking at the overall performance for the Group, net sales were ¥807,200 million, up 5.9% year on year, operating income was ¥40,050million, up 22.9% year on year, and net income attributable to owners of parent was ¥25,309 million, up 9.0% year on year. The Company has decided to pay an annual dividend of ¥130 per share, taking overall account of its performance trend, dividend payout ratio, and other factors. As we have already paid an interim dividend of ¥60 per share, the year-end dividend will therefore be ¥70 per share.

Life and the Earth are connected as one. Human activities may cause dangerous climate change and mass extinction. Kaneka will make the world healthier by pursuing a “chemistry of life” that reexamines issues from the perspective of life on Earth. This perspective is our purpose management, “KANEKA The Dreamology Company -Make your dreams come true.”

We will promote hybrid management, which creates creative and valuable solutions through surprising combinations of Kaneka's wide variety of different technologies. We will drive the transformation of our portfolio by shifting our management resources mainly to R2B in the life science area. We aim to be a company that meets the expectations of all of our stakeholders and is highly regarded by them.

In closing, I would like to ask for your continued support as we go forward.



President and
Representative Director

A stylized, handwritten signature in black ink, appearing to read 'K. Fujii'.

Kazuhiko Fujii

June, 2025

1. Business Developments and Results

➤ Global Economy - Economic uncertainty remains high -

The global economy faced an uncertain year, making growth difficult to predict. The Chinese economy continues to stagnate, while the economies of Europe and the United States remain volatile, with an unclear outlook.

The Japanese economy continued to face an unstable situation where consumption did not increase even though income increased. This is attributed to heightened future uncertainty and decline of household living standards due to food and energy import inflation driven by the weak yen, even as the historic depreciation of the yen has supported exports.

Most recently, the U.S. reciprocal tariff policy has been shaking the world. The lack of visibility into the future is a cause for concern in FY2025.

➤ Kaneka Group's Business Performance - Sales and profits increased -

Under these circumstances, Kaneka Group's business performance for the current fiscal year (April 1, 2024 to March 31, 2025), was as follows. Consolidated net sales were ¥807,200 million (up 5.9% year-on-year), operating income was ¥40,050 million (up 22.9% year-on-year), ordinary income was ¥32,863 million (up 12.5% year-on-year), and net income attributable to owners of parent was ¥25,309 million (up 9.0% year-on-year).

Business performance for the fiscal year ended
March 31, 2025 (April 1, 2024 to March 31, 2025) (Millions of yen)

	FY2023	FY2024	Difference (year-on-year)
Net Sales	762,302	807,200	44,897 5.9%
Operating income	32,579	40,050	7,470 22.9%
Ordinary income	29,222	32,863	3,640 12.5%
Net income attributable to owners of parent	23,220	25,309	2,089 9.0%

Net sales and operating income by business segment

(Millions of yen)

	Net Sales										
	FY2023					FY2024					Difference (year-on-year)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Material SU	77,659	78,814	81,444	84,982	322,902	86,042	83,862	85,603	87,398	342,906	20,003 6.2%
Quality of Life SU	40,878	43,880	46,638	44,785	176,182	45,058	48,354	50,872	46,698	190,984	14,801 8.4%
Health Care SU	17,745	18,448	17,209	21,452	74,856	18,372	18,022	19,043	21,846	77,284	2,428 3.2%
Nutrition SU	46,037	46,006	49,038	46,099	187,182	48,674	47,137	51,275	47,885	194,972	7,790 4.2%
Others	419	226	280	252	1,178	234	204	290	322	1,052	(126) (10.7%)
Total	182,740	187,376	194,611	197,574	762,302	198,382	197,580	207,084	204,151	807,200	44,897 5.9%

	Operating income										
	FY2023					FY2024					Difference (year-on-year)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Material SU	5,513	6,610	6,996	8,375	27,495	8,382	7,690	6,658	8,229	30,961	3,465 12.6%
Quality of Life SU	2,939	4,159	4,655	3,607	15,361	4,256	5,296	6,148	4,327	20,027	4,665 30.4%
Health Care SU	2,967	2,926	2,451	4,596	12,941	2,992	2,451	3,276	4,679	13,399	458 3.5%
Nutrition SU	2,277	2,298	3,820	3,680	12,076	3,903	2,545	3,695	2,927	13,072	996 8.2%
Others	288	101	151	125	667	111	66	154	185	517	(149) (22.4%)
Adjustment	(8,381)	(9,093)	(9,070)	(9,417)	(35,963)	(9,369)	(9,225)	(9,898)	(9,434)	(37,928)	(1,965) —
Total	5,603	7,002	9,004	10,968	32,579	10,276	8,824	10,033	10,914	40,050	7,470 22.9%

➤ Remarks on the Group-wide Business Performance

Corporate operating income increased ¥7,500 million (up 22.9% year-on-year) to ¥40,100 million amid the headwinds of the sluggish global economic recovery and unstable demand dynamics. In summary by quarter, profit bottomed out in 2Q (June 1 to September 30, 2024), and recovered to exceed ¥10,000 million per quarter in 3Q (October 1 to December 31, 2024) and 4Q (January 1 to March 31, 2025). Moreover, sales and profits increased year-on-year in all solutions units.

① Leading-edge Businesses and Foundation Businesses

The Leading-edge Businesses achieved strong growth, and the Foundation Businesses maintained steady performance, defining the current fiscal year results.

Operating income in the Leading-edge Businesses increased ¥5,900 million year-on-year to ¥37,700 million and that in the Foundation Businesses increased ¥3,600 million year-on-year to ¥40,300 million.

The composition ratio of the Leading-edge Businesses grew to 50% in 2H of FY2024 (October 1, 2024 to March 31, 2025) from 46% in FY2023; especially Medical and E & I Technology significantly improved their performance.

For Medical, sales expansion of new products made significant progress. For E & I Technology, the superiority of products leveraging advanced technology was effectively demonstrated, leading to sales expansion centered on the smartphone market.

The Foundation Businesses reported a significant increase in profits for Modifiers. Strong competitiveness and the sales expansion of high-value-added products are driving our business expansion. For Performance Fibers, the business performance is recovering due to the expansion of sales areas and the sales expansion of high-performance products. For Foods & Agris, a sales shift to high-value-added products and a larger profit margin led to a high level of earnings.

② Progress of Investment Plan for Growth

For Medical, the production facility for blood purification devices in Tomatoh Manufacturing Site in Hokkaido had commenced operations smoothly in 2Q.

Moreover, the Company has commenced construction of a catheter plant in the same place to further strengthen the competitiveness of the Medical business. Additionally, the Company is accelerating the expansion of its product lineup through open innovation, including the M&A of a medical device company in Israel with expertise in the field of cerebrovascular treatment.

For Green Planet™, product adoption further increased both domestically and internationally. The social implementation of products with excellent biodegradability in both soil and seawater has progressed.

For Modified Silicone polymers, capacity expansion in Belgium began operations in 2Q. Going forward, we plan to capture increased demand in line with the progress of the European Green Deal policy.

We will actively continue to pursue investments to accelerate the growth of the Leading-edge Businesses and enhance our selection and concentration.

*Note: Leading-edge businesses: Modified Silicone polymers, E & I Technology, PV & Energy management, Medical, Pharma, and Supplemental Nutrition
Foundation Businesses: Vinyls and Chlor-Alkali, Modifiers, Foam & Residential Techs, Performance Fibers, and Foods & Agris*

The operating performance by business segment was as follows:

(Earthology Chemical Solution)

Material Solutions Unit

Material Value Creator

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

This unit recorded increased sales and profits overall due to the strong competitiveness shown by Modifiers and the sales expansion by Modified Silicone polymers, despite a continued downturn in PVC market conditions in Asia.

- For Vinyls and Chlor-Alkali, although price revisions were made, profits decreased due to the adverse impact of the downturn in the Asian market.
- For Modifiers, profits increased significantly through efforts to strengthen its business competitiveness and sales expansion of non-PVC use and epoxy masterbatch (MX), despite a slow recovery of construction demand in Europe and the U.S.
- For Modified Silicone polymers, robust sales growth was achieved due to sales expansion measures that took advantage of unique functional characteristics not found elsewhere, resulting in an increase in profit. We will accelerate a further sales expansion by fully leveraging our increased production capacity in Belgium.
- For Green Planet™, inquiries have increased from both domestically and internationally. The adoption by all of Starbucks stores in Japan has created new momentum, accelerating our efforts for large-scale production adoption by major brand holders.



(Earthology Chemical Solution)

Quality of Life Solutions Unit

Quality of Life Pathfinder

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

This unit reported increases in profits in E & I Technology, PV & Energy management, and Performance Fibers. Although high raw material prices affected Foam & Residential Techs, overall sales and profits increased significantly due to strong performance in E & I Technology.

- For Foam & Residential Techs, profits decreased due to lower demand in the automobile sector and the domestic agricultural and fishery and construction sectors, and higher raw material prices, despite price revisions.
- For E & I Technology, profits increased significantly as the sales of polyimide films and acrylic resins for TVs remained high throughout the year.
- For PV & Energy management, domestic sales of high-efficiency photovoltaic modules for single homes remained firm.
- For Performance Fibers, the sales of hair attachment products steadily increased. Demand for the flame-retardant fabric sector is also expanding.



(Active Human Life Solution)

Health Care Solutions Unit

Medical Edge Explorer

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

This unit reported a large increase in earnings in Medical. However, demand adjustments in the CDMO market affected Pharma. Overall, sales and profits increased.

- For Medical, the sales of blood purification devices and catheters have both expanded. The expansion of selling a novel scoring balloon catheter is driving business growth. We will leverage the high competitiveness of the new plant for blood purification devices in Hokkaido (Tomatoh Manufacturing Site) to strengthen our overseas expansion.
- For Pharma, demand adjustment for small molecule pharmaceuticals and biopharmaceuticals took longer than expected, but demand recovered in 3Q and thereafter.



(Active Human Life Solution)

Nutrition Solutions Unit

Nutrition Value Chain Innovator

To re-innovate food and health

This unit had a strong year in both Foods & Agris and Supplemental Nutrition, achieving increased sales and profits.

- For Supplemental Nutrition, the sales of the active form of coenzyme Q10 have expanded globally, particularly in the U.S. The probiotics business is also steadily expanding. We will focus on launching new products and reinforcing our marketing to further expand sales in the U.S., the biggest market.
- For Foods & Agris, a shift to high-value-added products and an increase in profit margins have boosted profitability. We will strengthen sales expansion of high value-added “Business to Consumer” products, such as organic dairy products, to accelerate business expansion.



2. Issues to be Addressed

➤ Kaneka's Purpose Management

The natural environment is being increasingly overburdened and human activities may cause dangerous climate change and mass extinction. To reduce this risk, we must further our understanding of nature and rapidly deploy the appropriate technologies. This perspective is our purpose management, "KANEKA The Dreamology Company –Make your dreams come true–,". We are refining our technology in three domains: the environmental and energy crisis, the food crisis, and the wellness (better living) crisis with an aspiration to provide optimal solutions through their social implementation.

➤ Hybrid Management

Innovation is "a new combination to hundle things differently." Combining different things in different business fields in a new way. We call this "hybrid management." We will contribute to solving social problems through hybrid management, which creates creative and valuable solutions through surprising combinations of Kaneka's wide variety of different technologies.

➤ R2B+P - Accelerating Research to Business

Shifting from "R&B+P" to "R2B+P," we will promote the fusion of research and business and further accelerate the flow from research to business. We will create unique and superior materials and provide solutions to the global market. By strengthening our R2B+P initiative, which strongly integrates R2B and manufacturing, we will focus on maximizing and monetizing our business with a manufacturing-first approach and increase the speed and scale of our commercialization of new products.

➤ Shift in Emphasis to Life Sciences

The definition of "life science" is the technologies and creative activities that use chemistry to make life on Earth healthier. Kaneka's "biomanufacturing," such as the biodegradable polymer Green Planet™, genome editing technology, biopharmaceuticals, regenerative medicine and cell therapy, organic dairy products business, supplements, and fermentation culture process technology, PV technology, and medical devices are all connected to the big "life," that is, life on Earth. Kaneka will drive the transformation of its portfolio by taking on the challenge of "R2B" in the life science area.

➤ Think Global, Act Local - Promoting The Best Glocal Kaneka Way

Our strength is our global network enabling business development deeply rooted in local communities. Our mission is to deliver solutions all over the world to save human lives and resolve social issues, and we focus on conducting local-based business (glocal business) by overcoming cultural differences. Our goal is to become a company with a global presence. We will seek management resources from around the world and actively promote M&A, technology and business alliances, and open innovation to transform our global business structure and achieve rapid growth.

➤ Diversity - New Value Creation and Women's Participation

By going beyond attributes such as age, gender, nationality, and race, and tapping into diversity, we bring forth new ideas. In this way, we aim to continue delivering unique Kaneka value that amazes the world. This is our vision for diversity. In particular, we are working to promote the active participation of women and strengthen the development of female leaders who will drive growth and change. Based on the idea that “people grow through their work, while companies grow through their people,” we will enhance individual growth and organizational performance through “Kaneka 1-on-1X.”

We will continue to promote “Trust & Respect - Human Driven Management” this year as well.

➤ Carbon Neutral/DX Initiatives

We aim to reduce GHG emissions by 30% by 2030. Our goal is to achieve carbon neutral by 2050. We will work to reduce energy consumption through fuel conversion of in-house power generation facilities and process innovation. We will also strengthen our DX initiatives and greatly accelerate value creation through R2B+P. We will incorporate cutting-edge technology to evolve our production plants and build up manufacturing sites in the future. We are also working on a company-wide digital platform concept using the latest digital technology to promote operational innovation in research and development, sales, SCM, and back-office operations.



Expanding Biomanufacturing Initiatives

— KANEKA Biodegradable Polymer Green Planet™ —

Promoting Green Planet™ as Japan's Cutting-Edge Technology at Expo 2025 Osaka, Kansai



Towards a brighter future for all

Period **Sunday, 13 April to Monday, 13 October 2025**
Venue **Yumeshima Island, Osaka City**

Kaneka is engaging in projects using KANEKA Biodegradable Polymer Green Planet™ at the Japan Pavilion at Expo 2025 Osaka, Kansai.

The Japan Pavilion expresses the concept of circulation based on the theme “Between Lives” in three areas: the Plant Area, Farm Area, and Factory Area.

In the Farm Area, vessels made of Green Planet™ using CO₂ in cylinders as a raw material are displayed, and in the Plant Area, an image of the Green Planet™-made vessels being biodegraded by microorganisms in an aquariums and returning to CO₂ and water are displayed.



Japan Pavilion
Photo by Ministry of Economy, Trade and Industry



A clear folder made from Green Planet™

Clear folders made from Green Planet™ are sponsored and presented to visitors at the Japan Pavilion (from April 13 to mid-June*)

* There is a limit to the number of folders distributed per day.

Farm Area

Vessels made from Green Planet™ that use CO₂ as a raw material

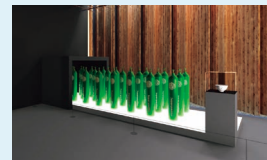


Photo by Ministry of Economy, Trade and Industry

Plant Area

Vessels made from Green Planet™ being biodegraded by microorganisms



Photo by Ministry of Economy, Trade and Industry

Official site of Japan Pavilion at Expo 2025 Osaka, Kansai



KANEKA Biodegradable Polymer Green Planet™ Adopted for Straws Used at Starbucks Coffee Japan

Straws using KANEKA Biodegradable Polymer Green Planet™ have been adopted by Starbucks stores in Japan, operated by Starbucks Coffee Japan, Ltd.

The straws were introduced at stores in Okinawa Prefecture from January of this year and are being gradually rolled out to all Starbucks locations across Japan.

Green Planet™ cutlery (for to-go use) are used at Starbucks stores nationwide.

In addition, Green Planet™ has been adopted for straws to achieve both customer experience and reduced environmental impact.



“Secrets of the SDGs Goal 14: Life Below Water”

Kaneka has collaborated with Gakken Inc. to produce an educational manga for elementary school students, “Secrets of the SDGs Goal 14: Life Below Water.” This manga has been produced with the aim of communicating the importance of contribution to SDGs and deepening understanding of the conservation and sustainable use of marine resources to children who will lead the future by introducing the development and initiatives of Green Planet™, with regard to the SDGs Goal 14.

A total of 24,000 copies will be donated to approximately 20,000 elementary schools (including special support schools), 3,200 public libraries, and 800 children’s centers across Japan via Gakken.



Based on our mission of “KANEKA thinks ‘Wellness First,’” Kaneka provides value globally as a solution provider. By enabling more people to experience the Green Planet™ initiative as a material that is born from nature and returns to nature, we will contribute to the “Designing Future Society for Our Lives” initiative brought about by this resource recycling.

Towards a World Where Advanced Medical Means Are Available to as Many People as Possible

— Contributing to the Evolution of Medical Technology with an Extensive Product Lineup That Meets a Wide Range of Medical Needs —

Decision to Construct New Catheter Plant at the Tomatoh Manufacturing Site in Hokkaido

Kaneka has decided to build a new catheter plant at the Tomatoh Manufacturing Site in Hokkaido, in addition to the blood purification devices plant that started operation last year.

The groundbreaking ceremony was held in May this year, and the plant is scheduled to start operation in March 2027.

With the completion of the new catheter plant, the production capacity will be approximately double the present capacity and our medical business will expand globally.



Catheter plant at the Tomatoh Manufacturing Site in Hokkaido (image)

Expansion of Catheters for Blood Vessel Treatment

Sales expansion of KIZASHI™, a scoring balloon for the treatment of cardiovascular diseases, which was launched last year, is driving the expansion of our business.

KIZASHI™ is highly regarded in Japanese clinical settings for its unique structure, which enables the safe treatment of lesions that are difficult to dilate with conventional balloons, as well as for its excellent usability. We will strengthen the global.



Scoring balloon

Acquisition of EndoStream Medical Ltd. as a Subsidiary

Kaneka acquired EndoStream Medical Ltd. (Headquarters: Or Akiva, Israel; CEO: Danel Mayer; hereinafter referred to as ESM), an Israeli medical equipment company, as a subsidiary.

By combining Kaneka's manufacturing and ESM's technology, we will jointly develop new medical devices, mainly for cerebrovascular treatment, in addition to the Nautilus™ device for aneurysm treatment currently under development.

BENOIT NIHANT Toranomon Hills Store to Open

Collaboration Store with “TULLY’S COFFEE & TEA” and “ROSE GALLERY”

Kaneka Foods Corporation (Headquarters: Shinjuku-ku, Tokyo; President: Futoshi Fukuzaki), a group company of Kaneka Corporation, opened “BENOIT NIHANT Toranomon Hills Store,” a collaboration store with Tully’s Coffee Japan Co., Ltd. (Headquarters: Shinjuku-ku, Tokyo; President: Yoshio Kobayashi) and Japan Flower Group Co., Ltd. (Headquarters: Chuo-ku, Tokyo; President: Yoshiaki Matsumura) in April of this year.

“BENOIT NIHANT Toranomon Hills Store” is a second store in Japan following “BENOIT NIHANT GINZA,” which opened in 2023.

The store will offer a range of gift confectioneries, including chocolate bars and bonbons made from cacao beans carefully selected from plantations around the world, as well as cookie tins and financiers, which are also perfect for business occasions.

In addition, a variety of new products and exclusive products only available at the Toranomon Hills Store are planned.



BENOIT NIHANT Toranomon Hills Store

Toranomon Hills Glass Rock 1F, 1-22-1
Toranomon, Minato-ku, Tokyo 105-0001
TEL: 03-6257-2211
<https://benoitnihant.jp/>



Official Online Store



Instagram





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The Dreamology Company

— Make your dreams come true —