



(Stock Code: 4118)

To Our Shareholders

**Report for the
102nd Business Period**

From April 1, 2025 to March 31, 2026

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.



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 102nd business period, from April 1, 2025 to March 31, 2026.

Looking at the overall performance for the Group, net sales were ¥811,638 million, up 0.5% year on year, operating income was ¥32,894million, down 17.9% year on year, and net income attributable to owners of parent was ¥30,977 million, up 22.4% year on year. The Company has decided to pay an annual dividend of ¥160 per share, taking overall account of its performance trend, dividend payout ratio, and other factors. As we have already paid an interim dividend of ¥80 per share, the year-end dividend will therefore be ¥80 per share.

Nurturing “life” through chemistry and contributing to the health of the greater “life” that is Earth itself – this perspective embodies the purpose – driven management, “KANEKA the Dreamology Company – Make your dreams come true-.”

We strive to expand the possibilities of chemistry and contribute to solving social issues through “Hybrid Management,” which creates unique and valuable solutions by combining diverse and innovative technologies. By focusing on the life sciences field and strengthening initiatives that integrate “R2B” and “P,” we aim to enhance the speed and scale of new product commercialization. Furthermore, we actively seek management resources globally to drive business innovation and achieve significant growth. Our goal is to meet the expectations of all stakeholders surrounding our company and to be recognized as a highly valued enterprise.

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



President and
Representative Director

A handwritten signature in black ink, appearing to read 'K. Fujii', with a stylized flourish extending to the right.

Kazuhiko Fujii

June, 2026

1. Business Developments and Results

➤ Global Economy

Amid the ongoing conflict in Iran, the business environment has changed dramatically, forcing the Japanese and global economies to respond to the crisis. Furthermore, it has been a year in which increasing economic fragmentation has made international cooperation difficult. In the U.S. and Europe, concerns over inflation are spreading, while China faces a severe downturn in domestic demand. In Japan, economic recovery has been sluggish due to rising prices caused by a weak yen.

The heightened tensions in the Middle East have triggered soaring prices and supply disruptions for crude oil and naphtha, with growing concerns that the global economy will slow down.

➤ Kaneka Group's Business Performance - Net sales and net income attributable to owners of parent hit record highs -

Under these circumstances, Kaneka Group's business performance for the current fiscal year (April 1, 2025 to March 31, 2026), was as follows. Consolidated net sales were ¥811,638 million (up 0.5% year-on-year), operating income was ¥32,894 million (down 17.9% year-on-year), ordinary income was ¥28,873 million (down 12.1% year-on-year), and net income attributable to owners of parent was ¥30,977 million (up 22.4% year-on-year).

Business performance for the fiscal year ended
March 31,2026(April 1,2025 to March 31,2026) (Millions of yen)

	FY2024	FY2025	Difference (year-on-year)
Net Sales	807,200	811,638	4,438 0.5%
Operating income	40,050	32,894	(7,155) (17.9%)
Ordinary income	32,863	28,873	(3,990) (12.1%)
Net income attributable to owners of parent	25,309	30,977	5,668 22.4%

Net sales and operating income by business segment

(Millions of yen)

	Net Sales											Difference (year-on-year)
	FY2024					FY2025						
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total		
Material SU	86,042	83,862	85,603	87,398	342,906	82,374	80,119	79,033	85,707	327,235	(15,670) (4.6%)	
Quality of Life SU	45,058	48,354	50,872	46,698	190,984	48,466	48,550	48,354	48,968	194,340	3,355 1.8%	
Health Care SU	18,372	18,022	19,043	21,846	77,284	18,273	19,073	19,978	25,650	82,975	5,691 7.4%	
Nutrition SU	48,674	47,137	51,275	47,885	194,972	49,310	50,785	53,195	52,685	205,977	11,004 5.6%	
Others	234	204	290	322	1,052	257	216	287	347	1,109	56 5.4%	
Total	198,382	197,580	207,084	204,151	807,200	198,682	198,746	200,849	213,359	811,638	4,438 0.5%	

	Operating income											Difference (year-on-year)
	FY2024					FY2025						
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total		
Material SU	8,382	7,690	6,658	8,229	30,961	6,265	6,336	5,172	7,152	24,928	(6,033) (19.5%)	
Quality of Life SU	4,256	5,296	6,148	4,327	20,027	5,208	4,231	4,815	3,697	17,954	(2,073) (10.4%)	
Health Care SU	2,992	2,451	3,276	4,679	13,399	3,131	2,875	3,561	5,271	14,840	1,440 10.7%	
Nutrition SU	3,903	2,545	3,695	2,927	13,072	2,680	3,273	3,527	4,231	13,712	640 4.9%	
Others	111	66	154	185	517	128	69	148	205	551	33 6.6%	
Adjustment	(9,369)	(9,225)	(9,898)	(9,434)	(37,928)	(9,254)	(9,983)	(9,993)	(9,860)	(39,091)	(1,163) —	
Total	10,276	8,824	10,033	10,914	40,050	8,161	6,802	7,232	10,698	32,894	(7,155) (17.9%)	

➤ Remarks on the Group-wide Business Performance

Amid concerns over the global economic slowdown, our quarterly operating income bottomed out in 2Q (July 1 to September 30, 2025) and recovered to ¥10.7 billion in 4Q (January 1 to March 31, 2026), demonstrating a return to strong momentum. Health Care Solutions Unit and Nutrition Solutions Unit drove our performance with increased sales and profits. Material Solutions Unit and Quality of Life Solutions Unit have also seen overseas demand head for recovery since the start of 4Q.

① Leading-edge Businesses and Foundation Businesses

The strong growth of Medical and the steady expansion of Supplemental Nutrition drove the portfolio shift, expanding the profit contribution ratio of the Leading-edge Businesses from 48% in FY2024 to 53% in FY2025. In particular, Medical continues to achieve significant business expansion by promoting sales of new products and broadening sales areas in Asia and the U.S. Supplemental Nutrition also performed well, with sales expanding globally, primarily in the U.S.

While the Foundation Businesses were affected by weak demand, particularly in Material Solutions Unit, sales of our strategically focused high-value-added products expanded steadily. Modifiers saw growth in sales of competitive grades such as epoxy masterbatch (MX), while Fiber expanded its sales regions alongside increased sales of high-performance products. Foods & Agris continued to shift sales toward high-value-added products and maintained strong profitability through price revisions that offset rising costs.

② Progress of Investment Plan for Growth

For Medical, the production facility for blood purification devices in Tomatoh, Hokkaido, has ramped up production. The construction of a new catheter production facility at the site is making steady progress. EndoStream Medical, an Israeli company acquired through M&A, has begun launching highly competitive new products in the field of cerebrovascular treatment, which are expected to contribute significantly to business expansion going forward.

E & I Technology has decided to expand production capacity for high-value-added grades of polyimide film, for which significant demand growth is anticipated due to advances in AI utilization.

For Modified Silicone polymers, capacity expansion in Belgium is maximizing the benefits of local production for local consumption.

For Green Planet[®], product adoption increased across a wide range of applications, both domestically and internationally. With its superior capabilities gaining further recognition, the social implementation of the product has progressed even more. Customer evaluation for large-scale projects is also making steady progress.

Even amid rising risks of a global economic slowdown, we will actively promote investments to accelerate the growth of the Life Science and Leading-edge businesses and expedite the transformation of our business portfolio.

*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 decreased sales and profits as a whole due to continued sluggish market conditions in Asia as well as stagnant demand in the U.S. housing and construction markets.

- Vinyls and Chlor-Alkali saw a sluggish demand in the Asian and domestic markets, while Modifiers and Modified Silicone polymers recorded lower profits as demand in the U.S. and European markets has yet to recover. However, progress was made in expanding sales of high-value-added products for Modifiers, as targeted by the R2B strategy, as well as in replacing other materials and broadening sales areas for Modified Silicone polymers.



(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

Foam & Residential Techs and PV & Energy management had solid performance, but the unit as a whole resulted in increased sales and decreased profits due to the impact of soaring raw material costs.

- For Foam & Residential Techs, profits increased as a result of improved profit margins.
- For E & I Technology and Performance Fibers, profits declined mainly due to the impact of soaring raw material costs. However, sales of high-value-added grades have expanded and product demand continues to increase steadily on the global scale.
- For PV & Energy management, we have been selected for the Green Innovation Fund Project for Manufacturing Technology and Demonstration of Next-Generation Tandem Solar Cells, implemented by the New Energy and Industrial Technology Development Organization (NEDO) and are currently working on its development.



(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 recorded increased sales and profits due to the dramatic growth of Medical.

- For Medical, sales steadily grew for blood purification devices and catheters, driving performance of the Company as the largest profit-generating business. Amid the ongoing broadening of sales areas, we aim to further expand the business.
- For Pharma, demand adjustment for small molecule pharmaceuticals and biopharmaceuticals took longer than expected, but order intake that had been delayed was concentrated in 4Q.



(Active Human Life Solution)

Nutrition Solutions Unit

Nutrition Value Chain Innovator

To re-innovate food and health

This unit recorded increased sales and profits as performance of Supplemental Nutrition remained strong and profitability of Foods & Agris improved.

- For Supplemental Nutrition, sales of the active form of coenzyme Q10 have expanded in the global market, particularly in the U.S. The probiotics business is also steadily increasing sales.
- For Foods & Agris, further progress was made in price revisions in response to rising raw material costs and the shift toward high-value-added products. We will promote sales expansion of high-value-added “Business to Consumer” products and accelerate the transformation of our portfolio.



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 deepen 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: environment and energy, food, and wellness for better living, to provide optimal solutions. We will accelerate the social implementation of R2B.

➤ Hybrid Management

Innovation is "a combination that does things in a different way." Combining different things in different business fields in a new way. We call this "hybrid management." We will accelerate the transformation of our business portfolio through "hybrid management." By combining a wide variety of different technologies and solutions, we will create unique and valuable new solutions and contribute to resolving social issues.

➤ R2B+P

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 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 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 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 for the future. We are working to strengthen a company-wide digital platform to promote operational innovation in research and development, sales, SCM, and back-office operations. Through “AI × DX,” leveraging the latest AI-driven digital technologies, we will strengthen our competitiveness and transform our corporate culture.

Innovative Solutions Created by R2B+P

Kaneka delivers life science solutions to society using technologies that anticipate change to promote the health of the global environment and life. Through R2B+P, which links research results to business and integrates them with manufacturing capabilities, Kaneka maximizes value from the customer's perspective and accelerates the speed of social implementation.

Adopted for use at Vantelin Dome Nagoya

Material SU

Biodegradable artificial turf made with KANEKA Biodegradable Polymer Green Planet® has been adopted for the warning zone at Vantelin Dome Nagoya. This marks the world's first use of biodegradable artificial turf made with Green Planet® in this application. Combining durability and biodegradability, the product is seeing progress in social implementation at large-scale facilities. In addition, we are developing technologies that use CO₂ as a raw material, with the aim of further reducing environmental impact.

Artificial turf made with Green Planet® used in the warning zone at Vantelin Dome Nagoya (brown portion)

Photos by Nagoya Dome Co., Ltd.



Medical Business Supporting Cutting-edge Medical Care

Health Care SU

Kaneka is expanding its product lineups to meet a diverse array of medical needs, including catheters for treating vascular diseases in the heart, brain, limbs, and other areas, and blood purification devices that selectively remove pathogenic substances from the blood.

Looking ahead, Kaneka will continue working to raise the sophistication of minimally invasive treatments and treat patients with intractable diseases for whom existing treatments have not provided sufficient efficacy.

Through these efforts, Kaneka will contribute to the health of people around the world.



[Intervention]
Cerebral aneurysm treatment device Nautilus

* Nautilus is a trademark of EndoStream Medical Ltd.



[Blood purification]
Rheocarna™ for arteriosclerosis obliterans

Social Implementation of Perovskite Tandem Solar Cells

Quality of Life SU

Kaneka has achieved higher conversion efficiency than conventional solar cells through a tandem structure in which a perovskite solar cell is stacked on a crystalline silicon solar cell. We are developing products that combine high efficiency and high durability and have begun field trials for residences and buildings.



At the unveiling ceremony for a perovskite tandem solar cell demonstration project with Saitama City
Hayato Shimizu, Mayor of Saitama City (left)
Kimikazu Sugawara, Chairman and Representative Director, Kaneka Corporation (right)

Kaneka OLED Lighting Offers Soft Light that Enhances the Value of Interior Spaces

Quality of Life SU

Kaneka OLED lighting features soft and uniform illumination through surface-emitting light. Tokyo National Museum has adopted Kaneka OLED as lighting that naturally highlights the textures and colors of artworks. Kaneka OLED lighting, which gives little glare, has seen adoption expand to residences, commercial facilities, and other properties, contributing to the creation of more comfortable interior spaces and enhancing their value.

Contributing to the Community Through Renewable Energy (Numata Town, Hokkaido)

Quality of Life SU

In Numata Town, Hokkaido, Kaneka has introduced solar panel systems using a bifacial, vertical installation method. This approach enables stable power generation even in heavy snowfall areas and has led to the effective use of idle land. Kaneka's technologies are contributing to both the promotion of decarbonization and community revitalization, while adapting to the region's natural conditions.

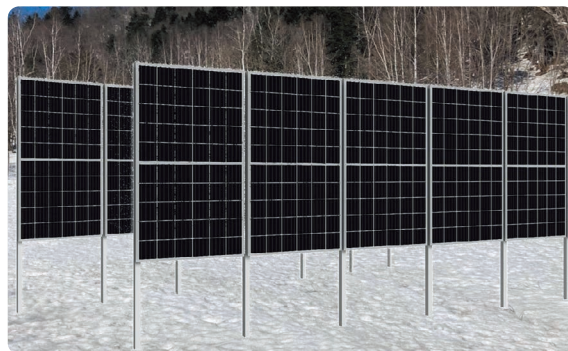
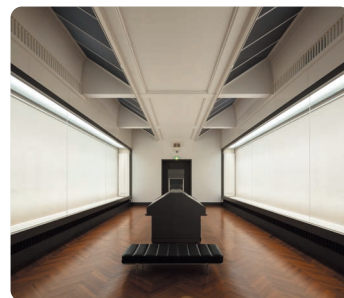


Image of bifacial, vertically mounted solar panel systems



The KANEKA OLED CRAFTS series was newly launched as interior lighting.

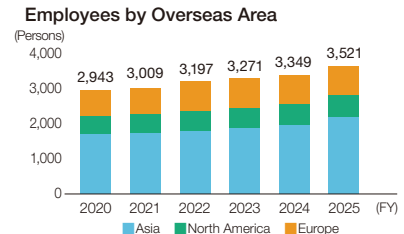
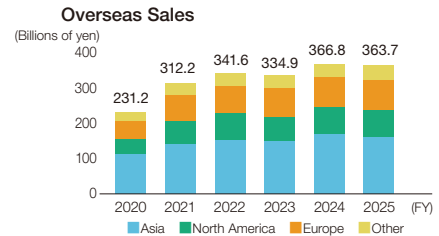
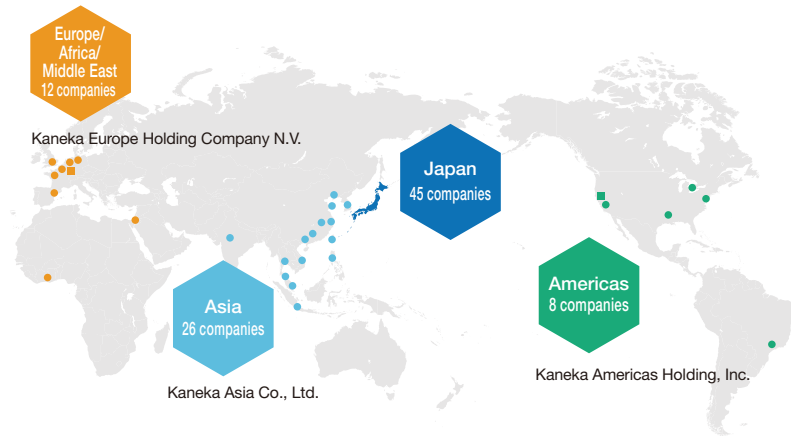


Lighting for exhibition cases in Room E of the Tokyo National Museum main building
Photo: Norihito Yamauchi

Our Global Network Enabling Business Development Deeply Rooted in Communities

—The Best Glocal Kaneka Way: Conducting Local-based Business (Glocal Business) by Overcoming Cultural Differences—

Kaneka (Malaysia) Sdn. Bhd. marks the 30th anniversary of its founding this year. Kaneka’s global expansion began in 1974 with its entry into Belgium. As of April 2026, the Kaneka Group conducts business in 22 countries and regions around the world. Guided by the principle of “Think Global, Act Local,” we have built production, sales, and research structures deeply rooted in each region, and provide value that meets local needs. Going forward, we will continue offering unique technologies and products around the world as we strive to become a company with a global presence.



At the global leadership training program
Kaneka Creative Corner 2.0

Glocal Human Resources Management

We have established a borderless, global perspective as a common foundation for the actions of all employees in Japan and overseas. Through the global leadership training program and the Kaneka 1-on-1 program at each location, we are fostering human resources and an organizational culture that enable Kaneka to demonstrate its strengths locally. Currently, we are advancing efforts toward the full-scale introduction of the Global Talent Development Program.



Communicating Value Through a Wide Range of Media

Kaneka is working to communicate the appeal of its products to society more clearly, while advancing initiatives to make the Kaneka brand feel more familiar to people.

Communicating Value Through Kaneka's Corporate Commercials

Kaneka communicates information through a variety of media, including TV commercials for KANEKA biodegradable biopolymer Green Planet® and the active form of coenzyme Q10. Our efforts to deliver health around the world are supporting our business portfolio transformation.



Launch of KANEKA Good Chemistry, a New Radio Program Bearing Kaneka's Name

We launched KANEKA Good Chemistry, a new radio program, on TOKYO FM in April 2026. This inner-care program explores “Good Chemistry,” the source of radiance and vitality, through dialogue with guests who are active in various fields. As interest in health continues to grow, KANEKA Good Chemistry will share tips for caring for the mind and body from within, thereby supporting listeners in their healthy daily lives.



Offering Kaneka Products on Its E-commerce Sites Through Social Media

We are leveraging a wide range of social media to clearly communicate Kaneka's appeal and the features of our products, while aiming to make our e-commerce sites more convenient to use.

Please visit our official social media accounts for updates on new products, corporate commercials, and more.



X



Instagram



LINE



YouTube



Kaneka's corporate mascot character

Kaneka's online shop carries a wide range of products. Please take a look.





kaneka

The Dreamology Company

— Make your dreams come true —