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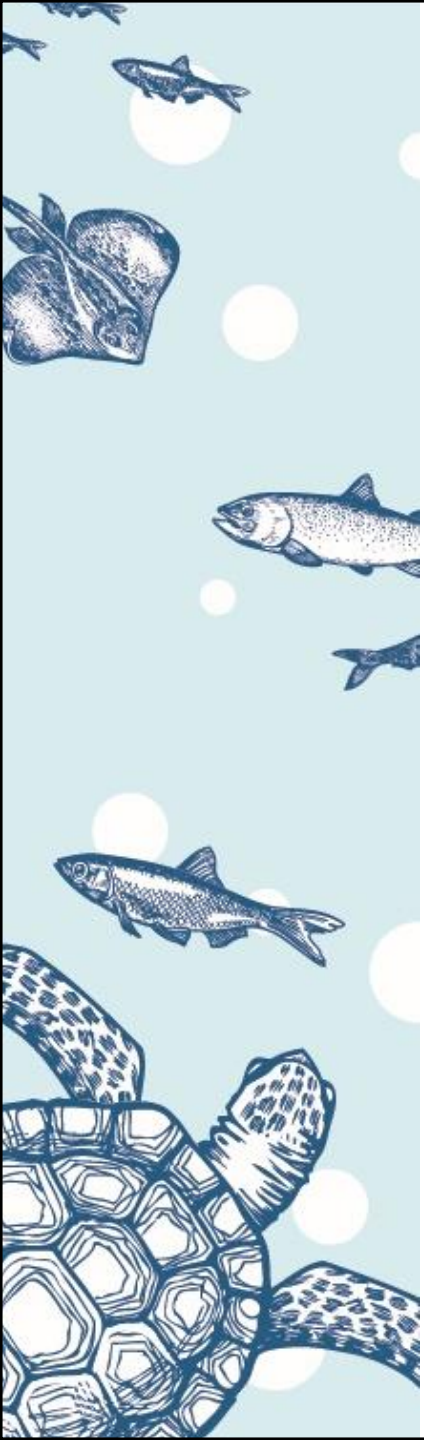
June 3, 2025

Company name:	Kaneka Corporation
Representative:	Kazuhiko Fujii, President, Representative Director
Listing:	Prime Market, Tokyo Stock Exchange
Securities code:	4118
Inquiries:	Atsuya Inoguchi, Head of Investors Relations Department (Tel 03 - 5574 - 8090)

[Updated] Regarding the Management Plan “Three-Year Initiatives 2025”

We hereby announce that we have formulated our new Management Plan “Three-Year Initiatives 2025” (FY2025–FY2027; April 2025 – March 2028), with fiscal year ending March 2026 as its initial year.

Plan: The Three-Year Initiatives 2025



Section

01

Purpose Management

Purpose Management (Aiming for the goal of making the world healthy)

Life Focus Management **Wellness first Human-Driven Management**

**Promoting
R2B + P***

**Practicing
“Think Global,
Act Local”**

**Realizing
Human Driven
Company**



The Dreamology Company
— Make your dreams come true — Kaneka

We never stay, Even for a moment

**The World is eagerly awaiting you
more than ever before**



The Kaneka brand is a sign of trust.

I want to be of help to you!



To be a “Change creator,” not a “Change thinker”

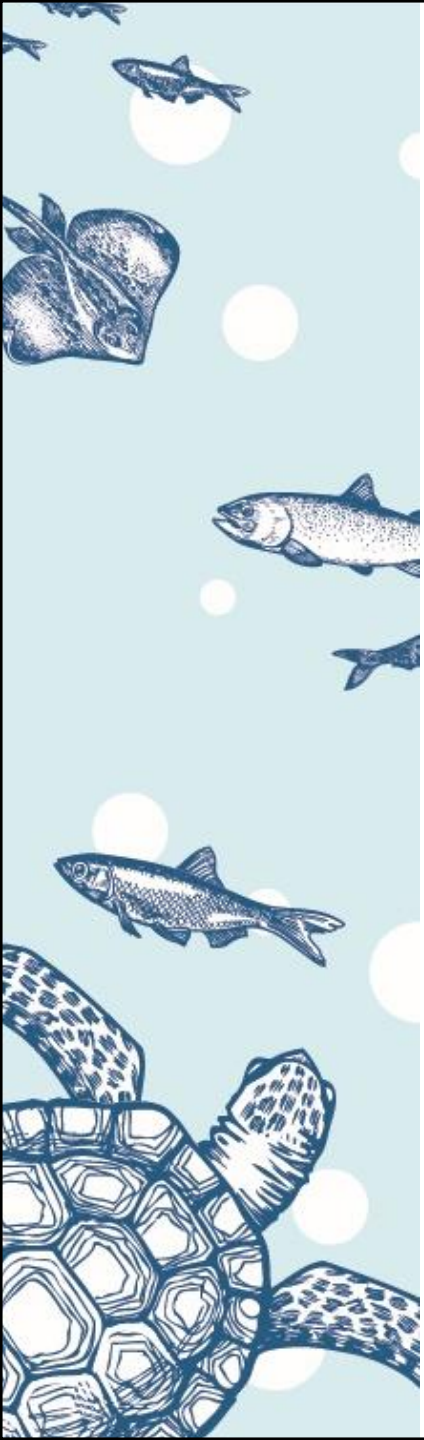
**Traditions become traditions
through repeated change**



Everything starts with curiosity and courage

**Work and life are about creating
your own story**





Section

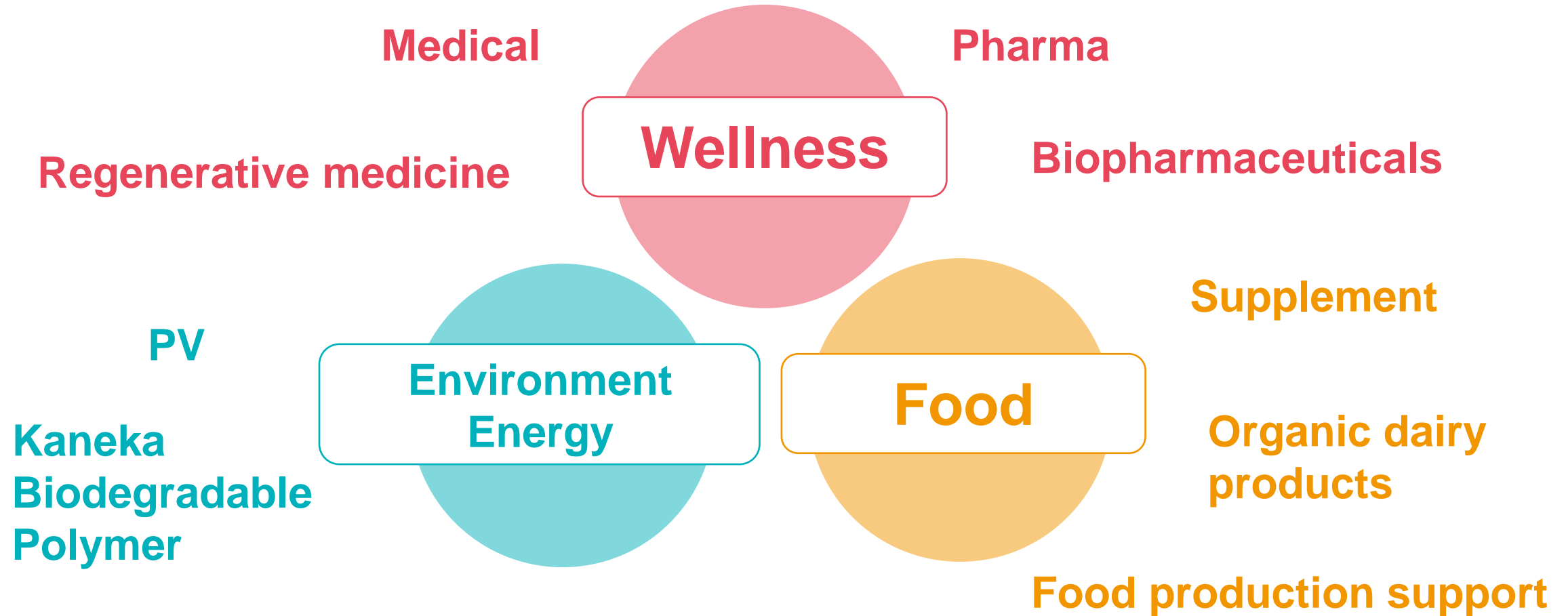
02

Core Philosophy

Build a dynamic network organization that integrates key strategic domains to drive portfolio transformation



Tackling the three crises with a focus on Life Science

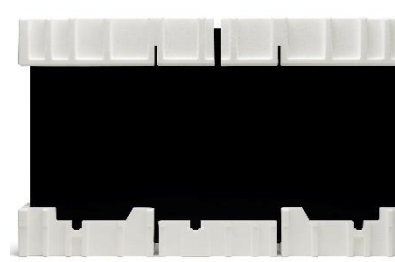
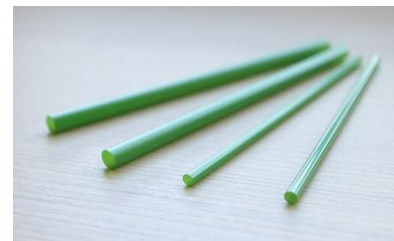


- **Latest developments toward full-scale social implementation**

- Significant growth expected in adoption by major brand holders.
- Rapid increase in demand for our products due to competitor withdrawals.

- **Transition to mass production**

- FY2025: Expecting to start full-scale operations at the 15,000-ton demonstration plant.
- FY2026: Planning to move into full production in response to growing adoption by major brand holders worldwide.



- **Efforts to increase production capacity**

- Accelerating R&D on productivity-enhancing technologies.
- Conducting proprietary R&D on crystallization acceleration technologies to boost molding productivity.



- **Green Planet production using CO₂ as a direct feedstock**

- Aiming to launch a demonstration plant in FY2030.
- Planning to introduce bench-scale equipment in FY2025 to promote the development of microorganisms with improved CO₂ fixation capabilities.



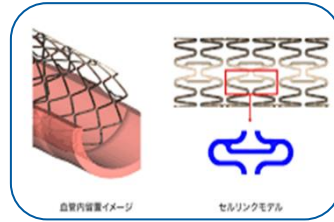
Medical

- Expansion of medical device business domain

- Have earned strong market reputation for mainstay products such as Rheocarna™ and scoring balloon catheters.
- Broadening portfolio of neurovascular and cardiovascular catheters and expanding into electrophysiology devices.



Coronary treatment device
Scoring balloon catheter



Coronary treatment device
JMDT's biodegradable stent



Cerebral aneurysm treatment device
ESM's Nautilus

Medical

- Promotion of social implementation of regenerative medicine and cell therapy

- Applying amnion-derived mesenchymal stem cells in clinical trials.
- Expanding target indications and establishing manufacturing system.
- Advancing social implementation of Japan's first fully domestically developed allogeneic MSC-based product.



Pharma

- Development of biopharmaceutical business

- Relocating the research base to Europe.
- Strengthening development of plasmid, protein, and mRNA products.
- Expanding modalities by introducing animal cell technology.



● Expansion of applications

- Expanding applications, including building-integrated photovoltaics (BIPV) and automotive.
- Pursuing improved quality and cost efficiency through innovative technologies aimed at Field Operation Zero (FOZ) and quality management driven by digital transformation (DX).



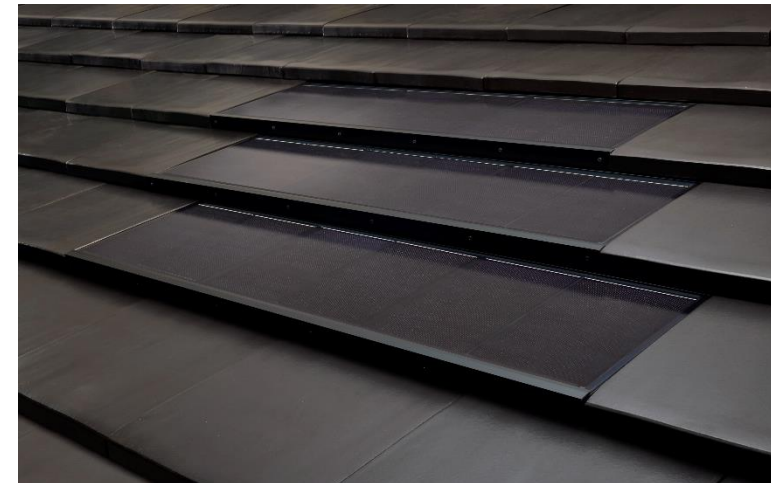
Tokyo Metropolitan Government's
"Model project to visualize renewable energy usage at
Tokyo Metropolitan Government-owned facilities
(BIPV systems)"



Adopted for Toyota Prius PHEV

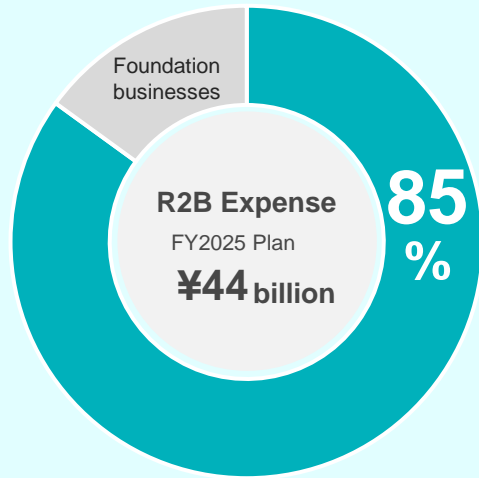
● Development of perovskite solar cell technology

- Developing technologies to overcome durability and weather resistance challenges of perovskite materials.
- Developing high-performance, high-reliability tandem-type solar cells and modules by integrating our proprietary heterojunction crystalline silicon technology.
- Achieving cell conversion efficiency of 32.6% with a perovskite/heterojunction crystalline silicon tandem cell (as measured on 1 cm² area by ESTI).
- Developing roof tile-integrated and 3D curved automotive modules.



Perovskite/crystalline silicon tandem
roof tile-integrated solar module

Concentrate **85%** of R2B spending in FY2025 on strategic priority areas



Strategic Priority Areas

Life Sciences



Medical



Pharma



Supplements



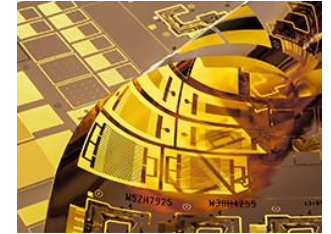
Food production support



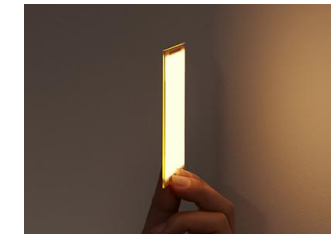
Green Planet



PV



Optical film etc.



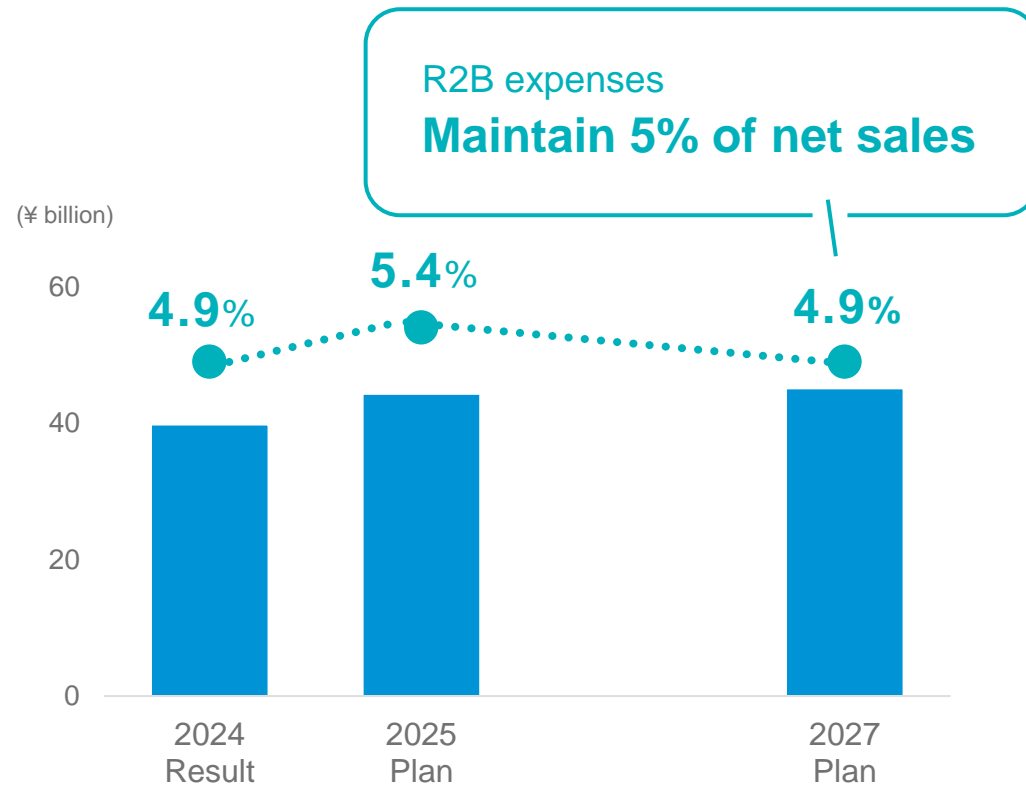
OLED

Information interfaces,
AI semiconductors,
Mobility, MS

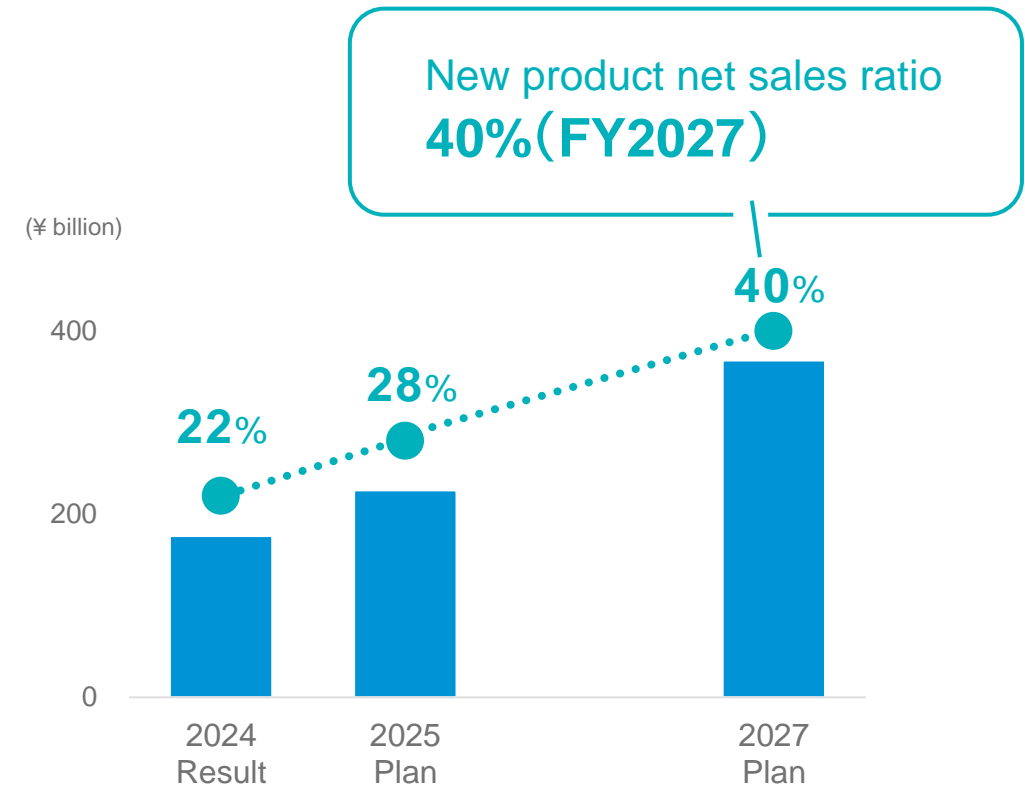
R2B + P Strategy Input / Output

- Promoting Research to Business (R2B) initiatives
- Driving portfolio transformation by focusing on R2B investments on priority areas

R2B Expense Net Sales Ratio



New Product Net Sales Ratio



Our philosophy since our founding

Human Driven Company

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

Promotion of Diversity

By going beyond attributes and tapping into diversity, we bring forth new ideas. In this way, we aim to continue delivering unique Kaneka value that amazes the world.

Human Resource Development

Development of human resources and leaders centered on
Kaneka 1-on-1

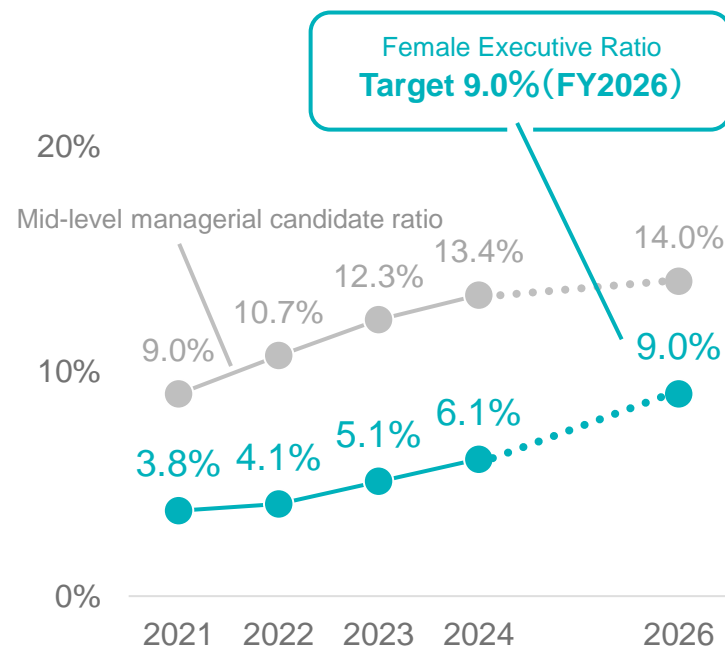
Since 2018, we have been carrying out Kaneka 1-on-1, a system that aims to drive company growth through personal growth by “lighting a fire in people’s hearts.”

Promotion of Wellness

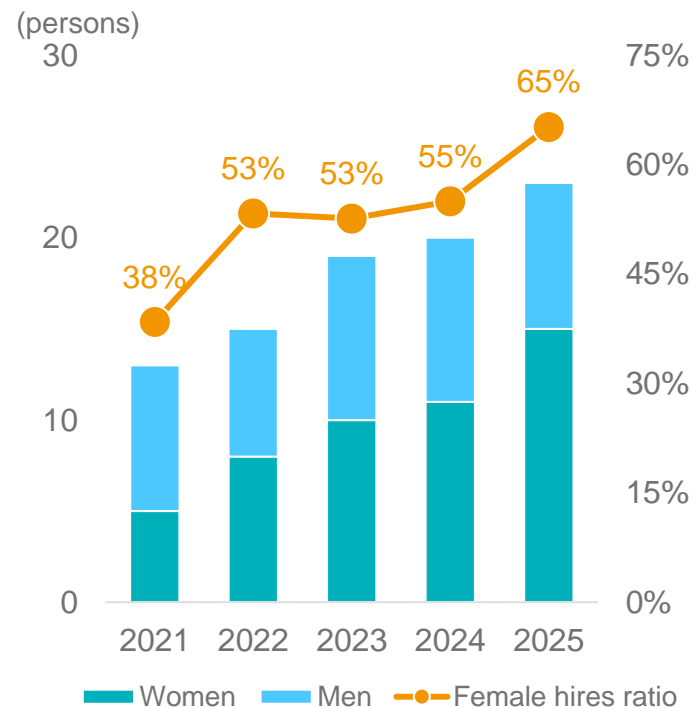
We are working to improve the wellness of each employee and of our organization. At the heart of this are the ties between our employees.

- Promotion of Diversity Diverse individuality delivers unique Kaneka Value
- Promoting women's participation centered on the 1-on-1 Program, increasing the ratios of female executives and female new graduate hires in sales and administrative roles
- Promoting male employees' parental leave and providing seminars for managerial staff

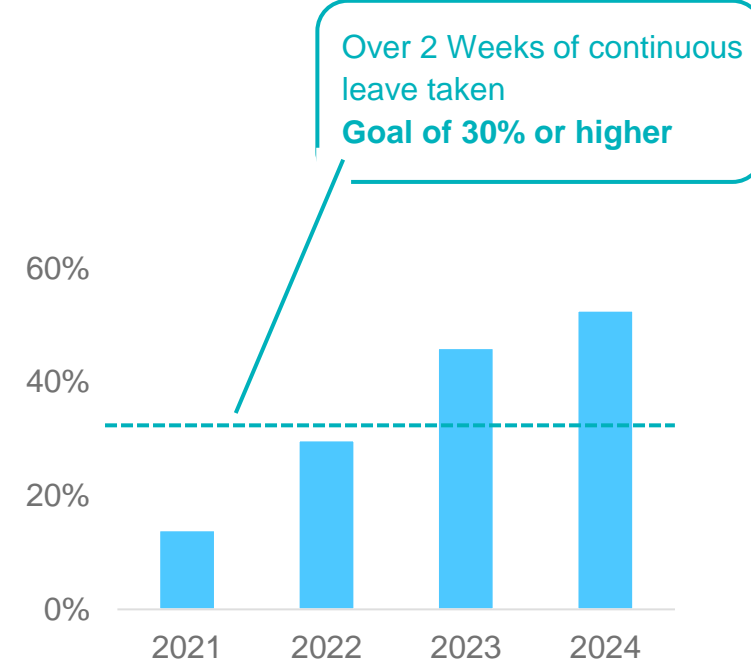
Percentage of Female Executives



Percentage of Female New Graduate Hires in Sales, Administrative, and Other Non-technical Roles



Percentage of Men Taking Parental Leave



Basic Policy

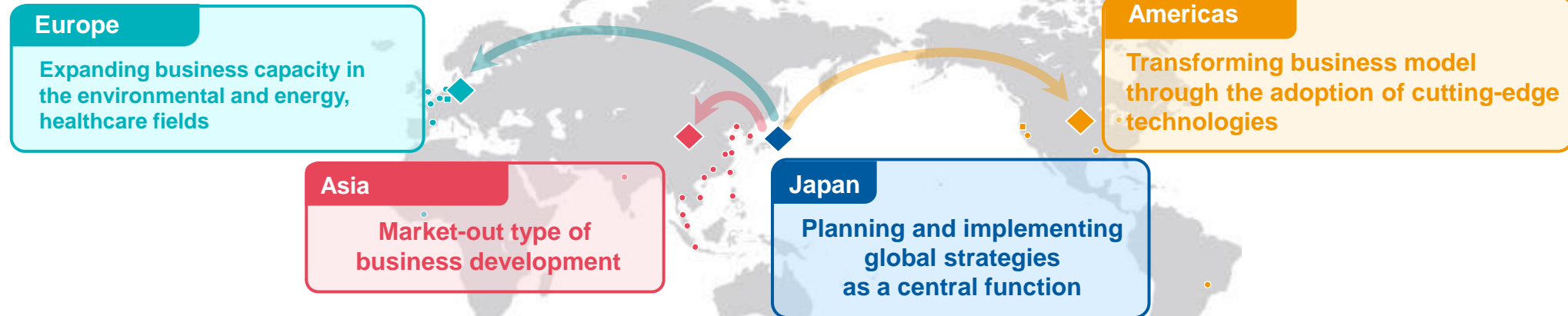
- Developing global talents who can overcome cultural differences
- Seeking global management resources through M&A / Open Innovation
- Production / Sales systems with deep local roots

The Best Glocal Kaneka Ways

Formulation an overall optimal strategy
on a core global centers



Local adaptability to optimize local resources

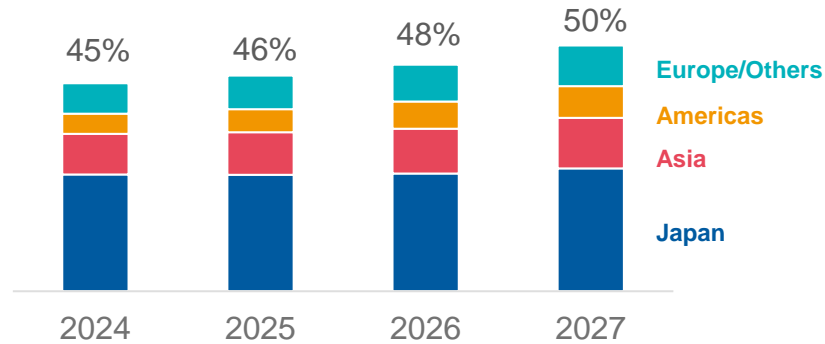


<Enhancing functions of the regional headquarters>

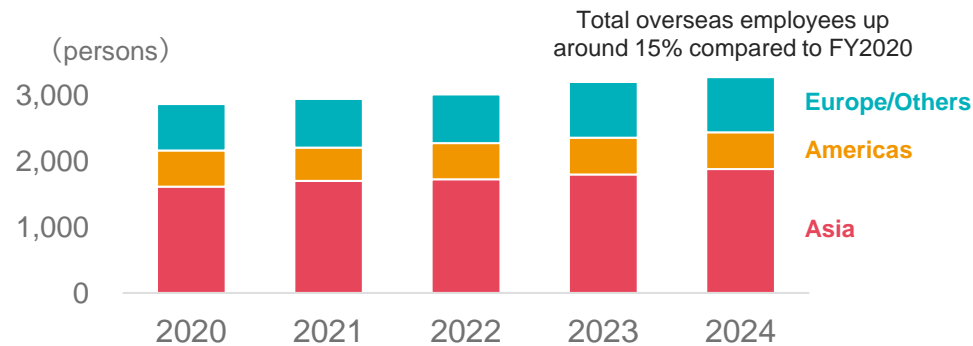
- Thoroughly pursuing growth opportunities by capturing the dynamics of the market
- Envisioning an inspiring and ambitious operational concept that ensures our enduring presence and prominence on the global stage

Overseas Business Activities

Overseas Sales Ratio



Employees by Overseas Region (consolidated)



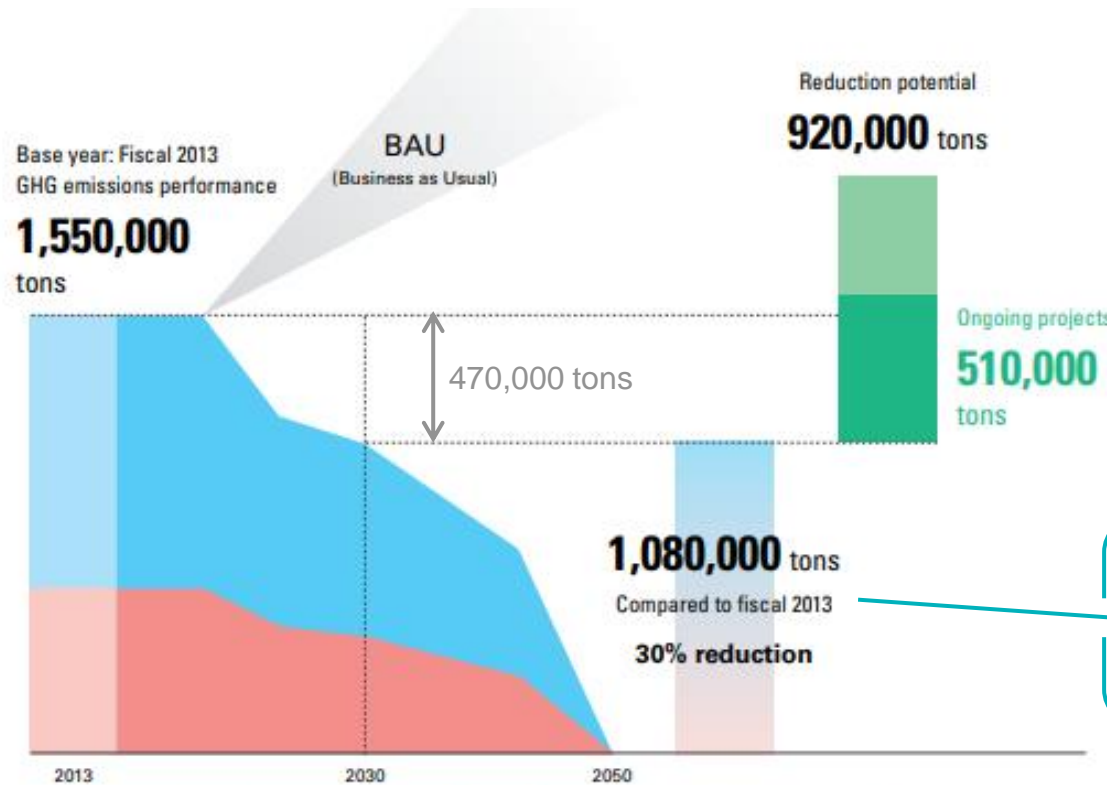
- Increase in the Number of Overseas Expatriate (200→300)

Global Development in the Life Sciences

- Expanding local bases from R2B to sales
- Promoting strategic M&A



Roadmap to Carbon Neutrality

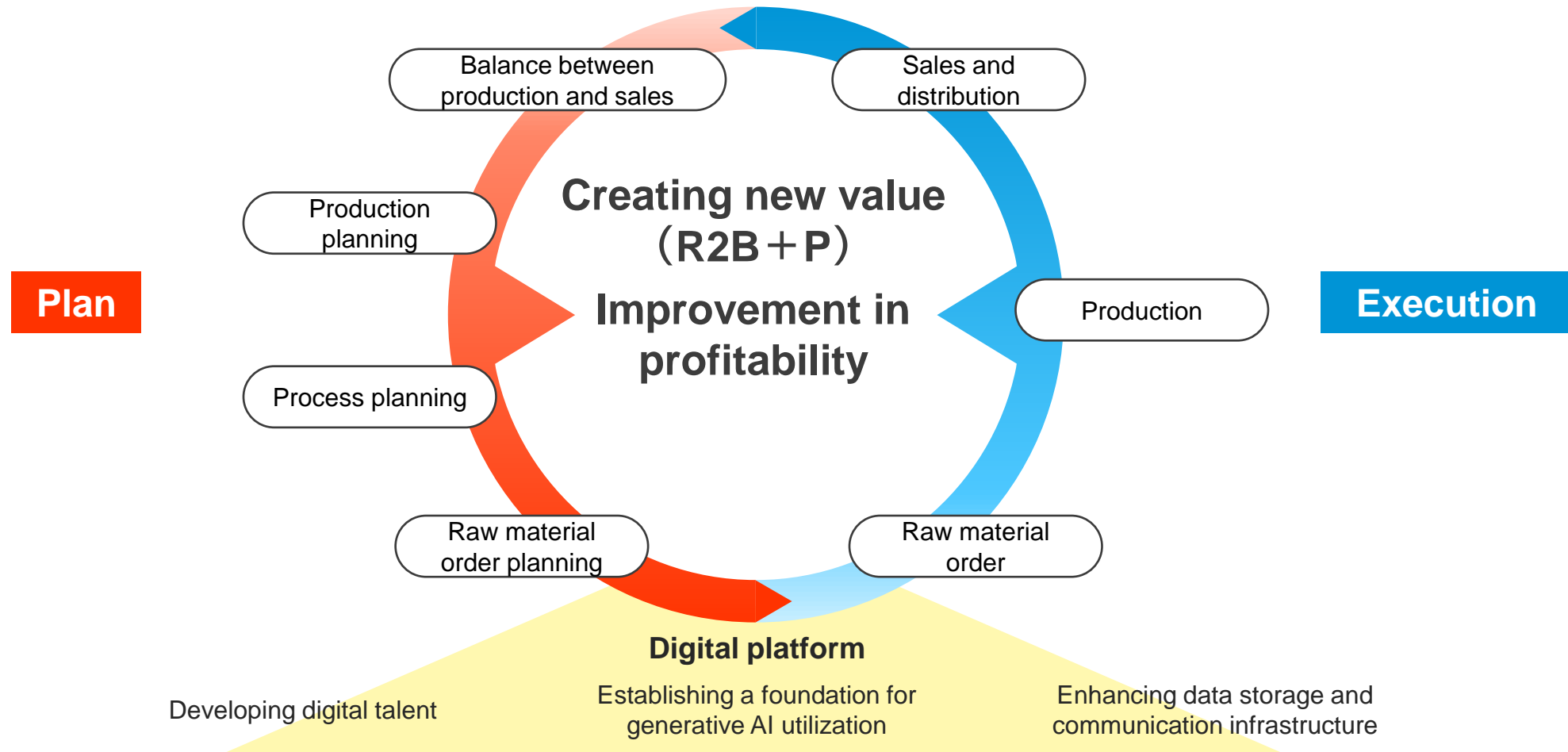


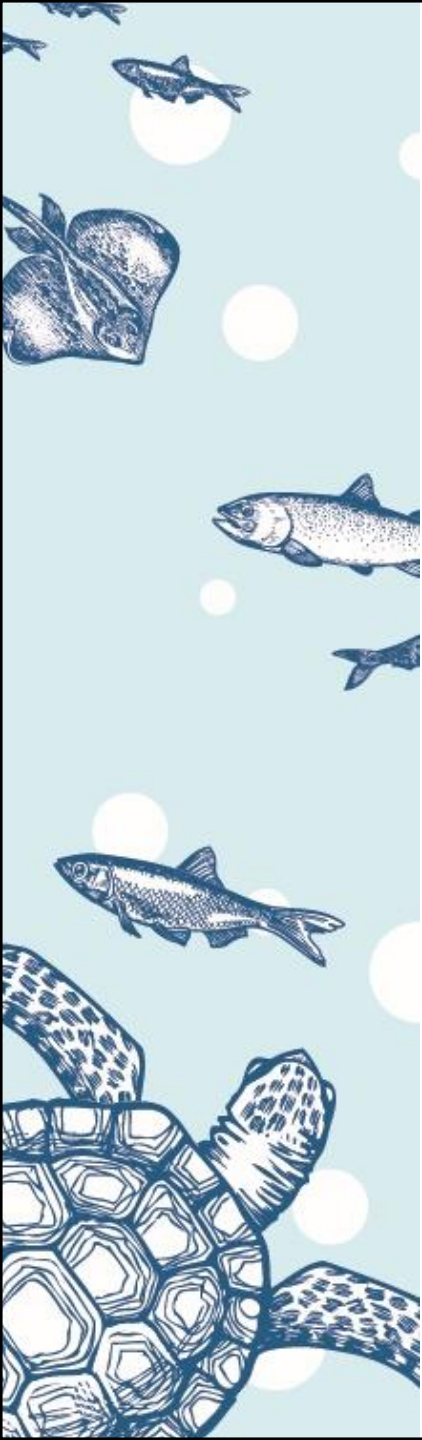
- On track to achieve the initial emission reduction target
- In pursuit of emission reductions linked to business expansion, we are identifying and leveraging potential through energy-saving measures and process transformation.
 - Achieving a total reduction potential of up to 920,000 tons
- Takasago Plant's coal phase-out (FY2024 decision) is progressing as planned
- Exploring additional reduction opportunities
 - Including external collaborations

GHG Emission reduction (compared to FY2013)
30% of reduction (FY2030)

*1 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.

Creating new value through digital optimization across the entire supply chain





Section

03

Plan: The Three-Year Initiatives 2025

■ Review of FY2024 the first year of “The Three-Year Initiative 2024”

Kaneka

- Net sales : Exceeded ¥800.0 billion, the highest ever.
- Operating income : Achieved the upwardly revised forecast of ¥40.0 billion.
⇒ Sustained strong momentum throughout the year with a profit level of ¥10.0 billion/Q from 2H* onward.
- Return on capital : ROE improved to 5.5%

(100 million yen)		FY2023 Result	FY2024 Plan (Announced in February 2025)	FY2024 Result	Achievement rate (vs. plan)
Profitability	Net sales	7,623	8,000	8,072	100.9%
	Operating income	326	400	401	100.1%
	Operating income rate	4.3%	5.0%	5.0%	100.0%
	Net income	232	250	253	101.2%
Return on capital	ROE	5.3%	5.4%	5.5%	101.9%
	ROIC	4.4%	5.1%	5.1%	100.0%

Review of Segment Results (Year-on-Year Comparison)

- Material : Strong competitiveness shown by MOD, Price revision (sales volume↑, selling price↑)
- QOL : Robust sales of E&I (smartphone and large TVs) (sales volume↑)
- Health Care : Significant sales expansion of new products in Medical (sales volume↑),
Prolonged adjustment in CDMO market in Pharma (sales volume↓)
- Nutrition : Sales expansion of the active form of coenzyme Q10 in Supplement (sales volume↑)
Profit margin increased (selling price↑)

Achieved sales and profit growth across all segments, as well as the forecasts announced in February 2025

	Net Sales			Operating Income		
	FY2023 Result	FY2024 Plan (Announced in February 2025)	FY2024 Result	FY2023 Result	FY2024 Plan (Announced in February 2025)	FY2024 Result
(100 million yen)						
Material	3,229	3,400	3,429	275	305	310
Quality of Life	1,762	1,850	1,910	154	198	200
Health Care	749	790	773	129	144	134
Nutrition	1,872	1,950	1,950	121	138	131
Others	12	10	11	7	4	5
Adjustment	-	-	-	▲360	▲389	▲379
Total	7,623	8,000	8,072	326	400	401

Initiatives 2025 – How performance targets are defined

- Amid increasing global economic uncertainties, we refined “Plan: Three-Year Initiatives 2024”, by re-evaluating the potential impacts of sluggish economy and geopolitical risks.
- Prioritizing achieving profit levels that meet market expectations.

Achieving steady profit growth **by accelerating the shift toward Leading-edge businesses and high value-added products**

(100 million yen)		FY2024 Result	FY2025 Plan	FY2027 Plan
Profitability	Net sales	8,072	8,200	9,200
	Operating income	401	420	660
	Operating income rate	5.0%	5.1%	7.2%
	Net income	253	330	440
Return on capital	ROE	5.5%	7.2%	10.0%
	ROIC	5.1%	5.2%	8.0%

Exchange rate: ¥145/\$, ¥155/€ / Domestic naphtha: ¥70,000/KL

- Material : Profit growth through application and market expansion, and capacity increase in Asia in MS.
- QOL : Sales expansion driven by the launch of new products suited to market growth in ICT sector in E&I.
- Health Care : Accelerating global expansion and expanding businesses through the launch of new products, M&A, etc. in Medical and Pharma.
- Nutrition : Strengthening Business to Consumer Business in Foods. Expanding sales in the probiotic business in Supplement.

Net Sales			
(100 million yen)	FY2024 Result	FY2025 Plan	FY2027 Plan
Material	3,429	3,370	3,700
Quality of Life	1,910	1,960	2,290
Health Care	773	910	1,430
Nutrition	1,950	1,950	1,770
Others	11	10	10
Adjustment	-	-	-
Total	8,072	8,200	9,200

Operating Income			
(100 million yen)	FY2024 Result	FY2025 Plan	FY2027 Plan
Material	310	310	365
Quality of Life	200	210	270
Health Care	134	171	290
Nutrition	131	137	150
Others	5	5	5
Adjustment	▲379	▲413	▲420
Total	401	420	660

- Actively allocating management resources to the Leading-edge businesses to drive continuous portfolio transformation.
- Aiming to increase the share of Leading-edge businesses in operating income to over 50% in FY2025 and to 60% in FY2027.

Leading-edge businesses

Achieve dramatic growth by strategic investment in human resources, goods, and capital

Performance Polymers(MS)

E & I Technology

PV & Energy management

Medical

Pharma

Supplemental Nutrition

【Key initiatives】

MS: Business expansion by capturing demand for environmentally friendly solutions and simplified construction method.

E&I: Market growth in ICT sector and launching new products.

Medical: Expanding business through expansion of new products and sales areas, and M&A.

Pharma: New product development and business expansion through M&A.

Foundation businesses

Steadily strengthen capabilities to earn cash by reinforcement of business foundation

Vinyls and Chlor-Alkali

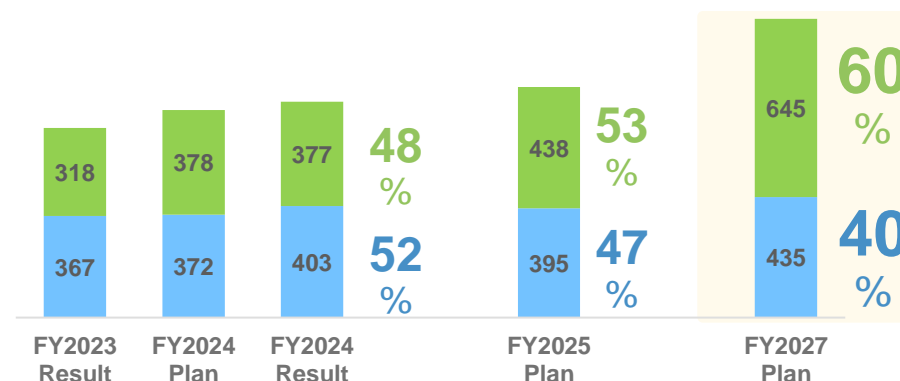
Performance Polymers(MOD)

Foam & Residential Techs

Performance Fibers

Foods & Agris

Trend in operating income split:
Foundation vs Leading-edge businesses (100 million yen)



Growth drivers leading Kaneka's portfolio transformation

New high-value-added products

- MOD : Non-PVC resin modifier, MX
- Foam : New method foaming products
- Fibers : New functional performance fibers
- Foods : New products for consumers such as dairy products, etc.

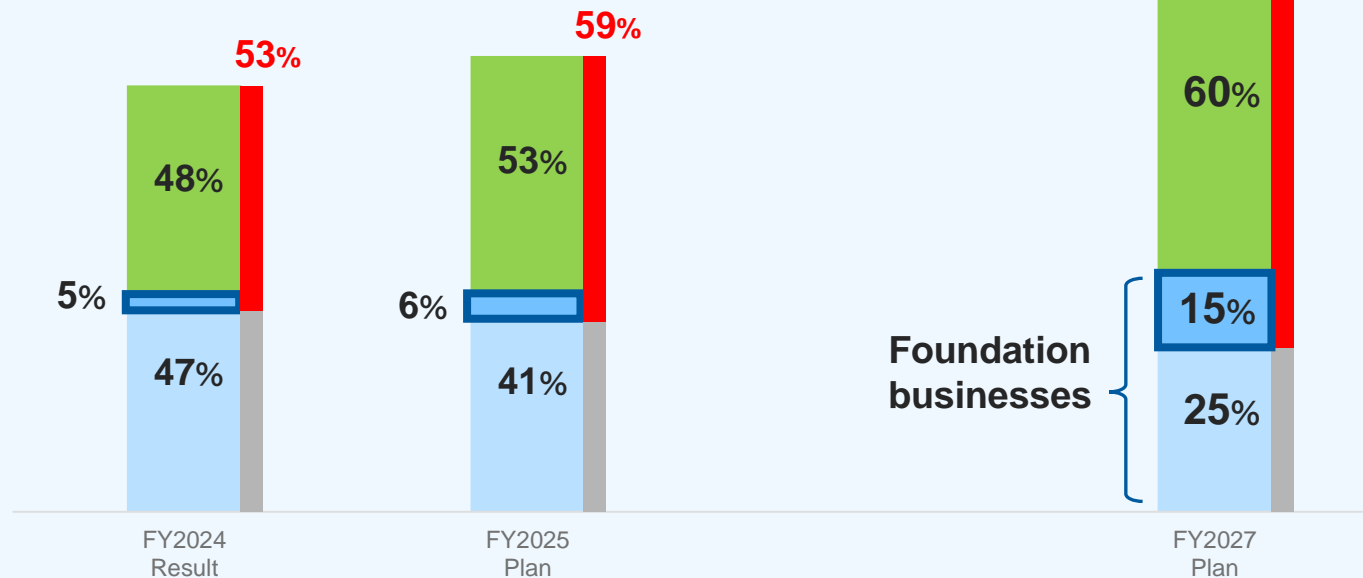
Leading-edge businesses

+

New high-value-added products

Portfolio change drivers

75%



Key Strategies by Segment (Material Solutions Unit)

Vinyls and Chlor-Alkali SV

Scaling up businesses rooted in Asia as
“Kaneka in Asia”

Building a hybrid model with Japan and Asia operating in parallel

- Expanding polymer business in Asia (ASEAN and India).
- Driving global deployment leveraging specialty PVC.

Performance Polymers(MS)SV

Advancing unique polymerization and
modification technologies to create new markets

**Driving rapid business growth by offering solutions
addressing environmental issues and other social challenges**

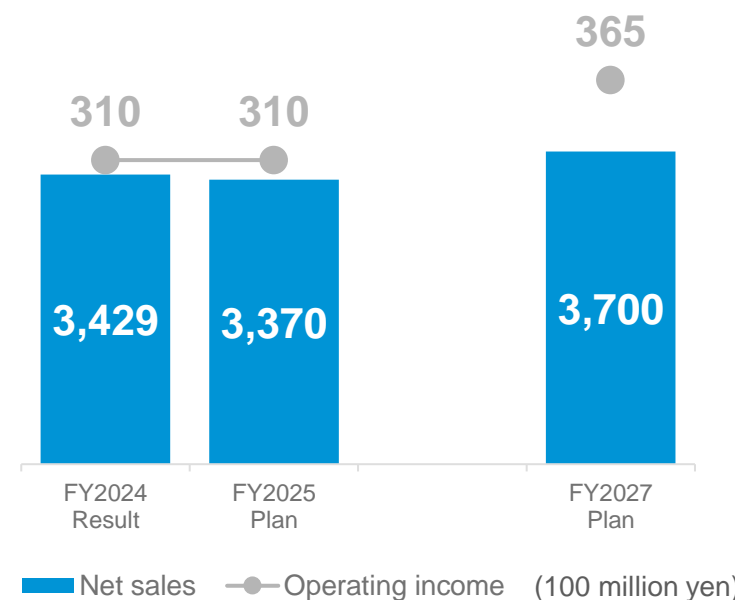
- Expanding market share by developing technologies competitive with other materials (urethane, silicone, etc.).
- Capturing emerging demand for more energy-efficient buildings and more simplified construction.
- Tapping into markets in ASEAN and India and strengthening capacity in Asia.

Performance Polymers(MOD)SV

Driving the R2B business by modifying matrix resins to
delivery surprising transformation

**Expanding applications through deepening core-shell
technology and regionally rooted development activities**

- Expanding new products for non-PVC.
- Increasing epoxy masterbatch sales (for composite materials etc.).
- Accelerating deployment of acrylic films for automotive applications.



■ Key Strategies by Segment (Quality of Life Solutions Unit)

Foam & Residential Techs SV

Transforming portfolio by advancing foaming technologies to anticipate shifts in industrial structures

Strengthening global deployment and launching new products

- Expanding sales of foamed polyolefins in ASEAN in Indian market.
- Developing markets for new products such as ultra-high insulation grades and Green Planet foams.

E&I Technology SV

Establishing a strong presence as a pioneer in untapped growth areas of the evolving electronics industry

Advancing applications for information interfaces and broadening new growth fields

- Developing phase-difference grades to meet the needs for higher-definition TVs.
- Capturing demand for high-speed ICT technologies (AI, autonomous driving).

PV & Energy management SV

Delivering unique and attractive solutions based on proprietary solar cell technology development

Developing and delivering products aligned with growing demand toward carbon-neutral society

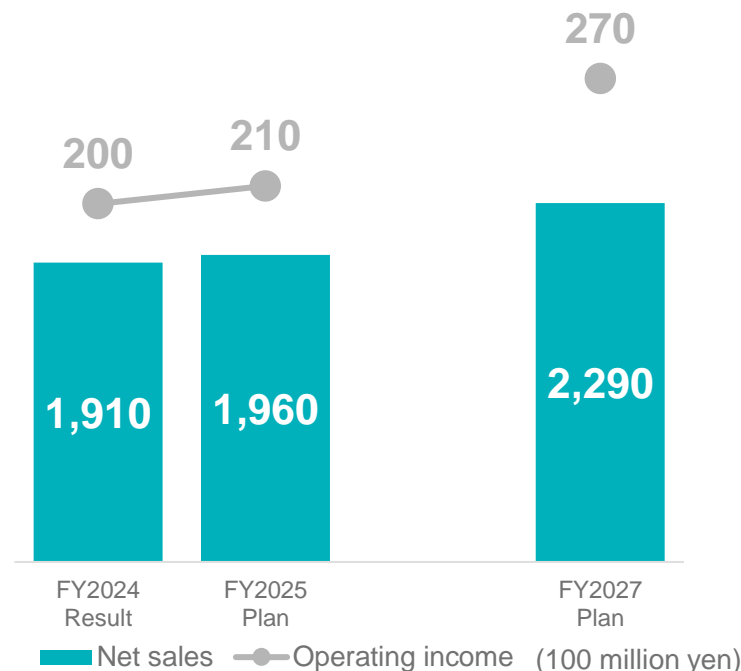
- Accelerating application to building exteriors and openings.
- Expanding sales in renovation market.
- Developing flexible solar cells and establishing mass production technology.

Performance Fibers SV

Advancing manufacturing innovation and developing unique high-performance fiber solutions

Strengthening base product portfolio for hair and flame-retardant materials and develop new applications with new products

- Strengthening local marketing and expanding hair-related use cases across multiple African countries.
- Strengthening flame-retardant materials segment by launching eco-friendly grades.
- Expanding business into environmental sector by developing innovative technologies.



Medical SV

Accelerating global expansion of world-leading medical technologies

Driving growth by the expansion of new technologies product lineup and advancing globalization

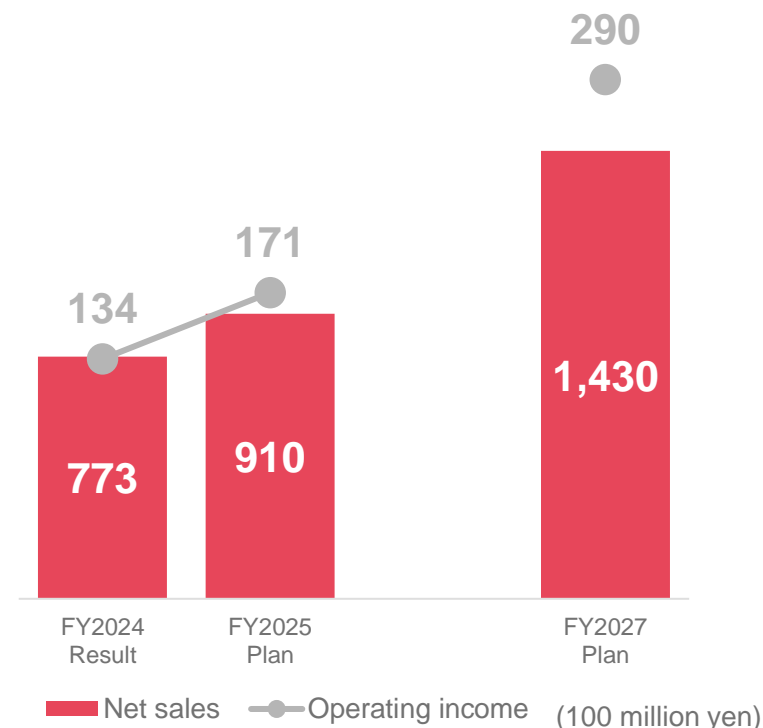
- Expanding business areas through M&A and other measures and bringing new technologies (products) to market.
- Opening a catheter plant at Tomatoh (Hokkaido) Plant (accelerating overseas expansion).
- Strengthening R&D in the U.S.
- Expanding business domains by entering new areas such as regenerative cell medicine, and women's healthcare.

Pharma & Supplemental Nutrition SV (Pharma)

Creating scalable niche and core businesses in the expanding pharmaceutical market by linking open innovation with Kaneka's unique capabilities

Enhancing differentiated technologies and market development capabilities

- Focusing on U.S. market development for small molecule pharmaceuticals.
- Enhancing cost competitiveness and expanding into new business areas through M&A (biopharmaceuticals).
- Expanding sales through enhanced market development in Asia and increasing production capacity (biochromatography).



■ Key Strategies by Segment (Nutrition Solutions Unit)

Pharma & Supplemental Nutrition SV (Supplement)

Building a global brand with active form of coenzyme Q10 as its core and honing our technology to establish as a leading company in the new probiotics business

Business expansion by positioning the U.S. as the most critical market

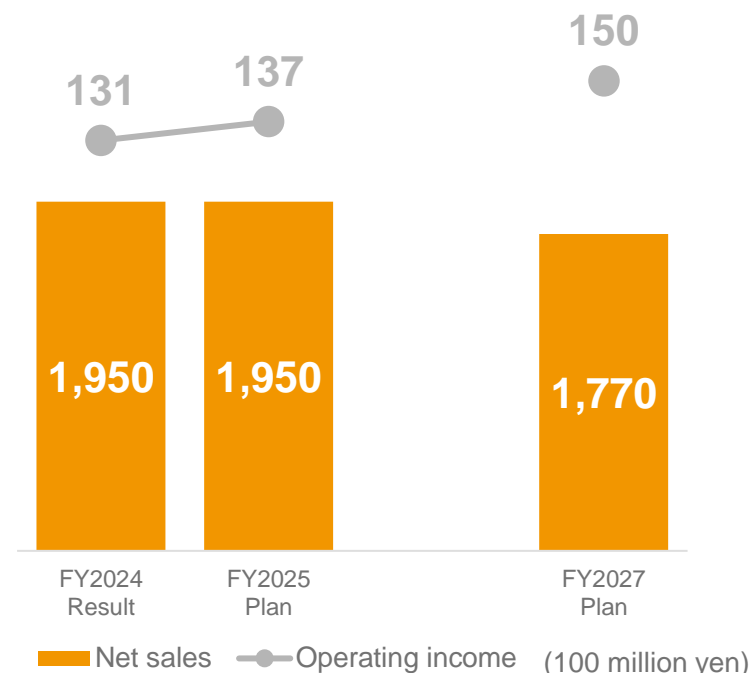
- Focusing on boosting sales of active form of coenzyme Q10 in the U.S. market (tap demand in the healthy aging field).
- Strengthening sales of probiotics products with a focus on women, infants, and intestinal regulation.

Foods & Agris SV

Shifting to a new strategy that anticipates diverse food cultures and delivers value-added food products to consumers.

Increasing profitability by transforming portfolio

- Leveraging our fully integrated operations starting from dairy farming to create and expand organic dairy market.
- Scaling up the Healthy Foods business by expanding product portfolio.
- Capturing the Asian market with processed oils and spices.

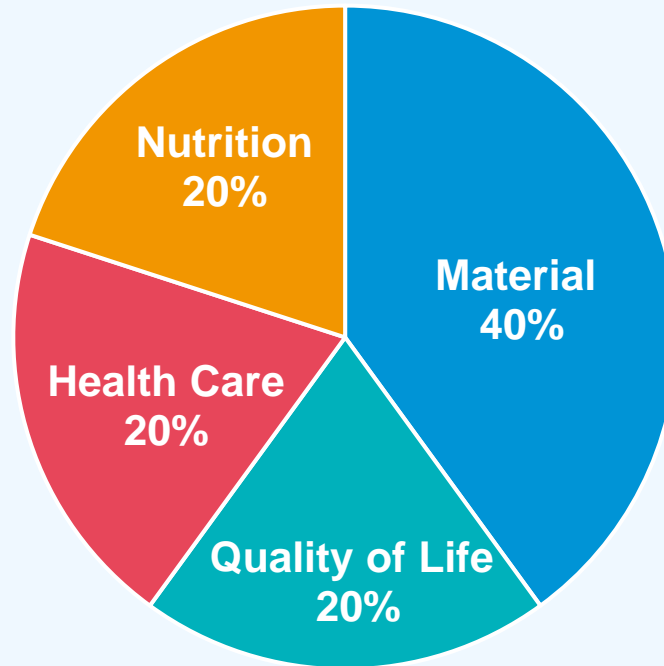


- Renewing product portfolio by introducing new products in the Foundation businesses.
- Creating a positive investment cycle by scaling up the Leading-edge businesses.

<Plan for capital investment (FY2025 – FY2027) >

Total amount of investment (including M&A)

¥300.0 billion



Leading-edge vs Foundation split

Leading-edge

60%

Foundation/
Infrastructure

40%

<Concentrate resources on Leading-edge businesses >

- Propel profit growth by aggressively enhancing capabilities

DX/ Environmental investment and Others

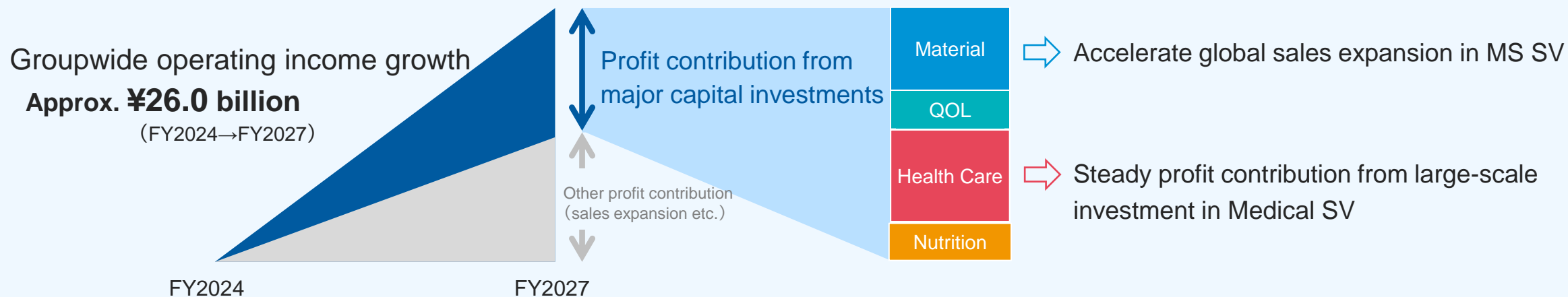
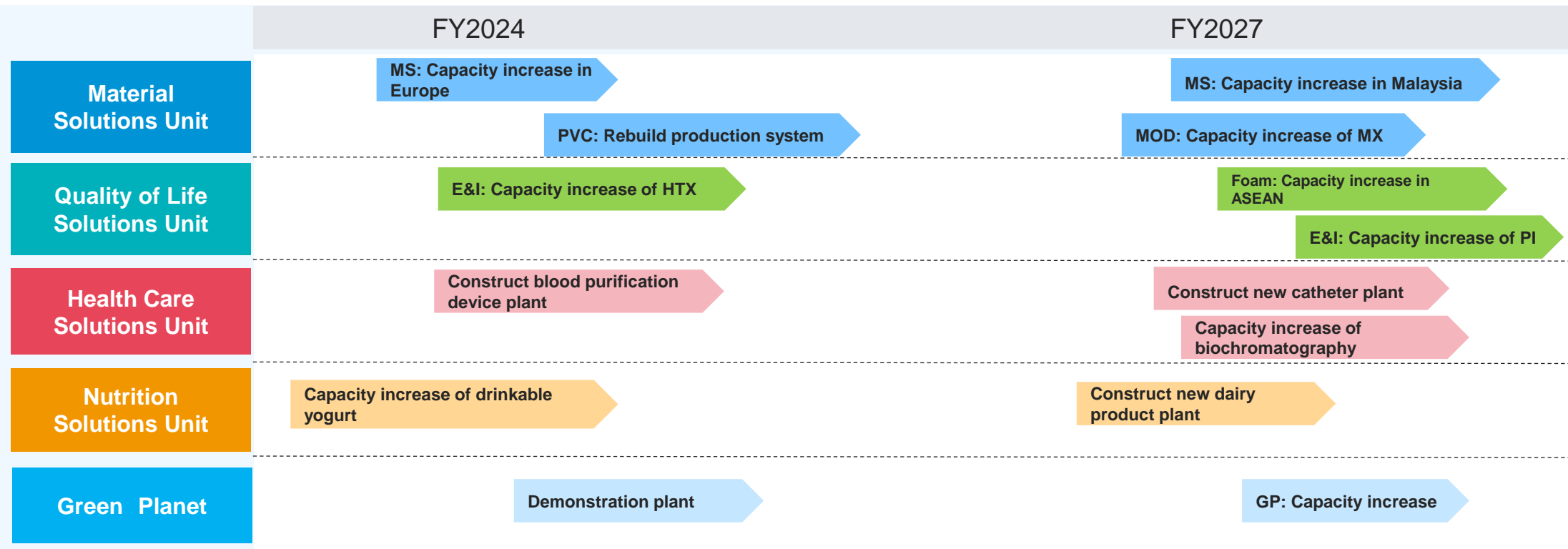
Others

Environment
-related

DX-related

<Concentrate resources on DX >

- Actively investing in process innovation and stable production



Cash inflows

Operating Cash Flow

Approx. ¥260.0 billion

- Profit growth driven by business portfolio transformation

Reduction of Cross-shareholdings

Approx. ¥25.0 billion

- Accelerating the pace of reduction

Interest-bearing Debt

- Expansion of ESG finance (Green bond/ Social bond)

Cash outflows

Investing Cash Flow

Approx. ¥240.0 billion

- Investment in enhancing capabilities
- Investment in strengthening the foundation

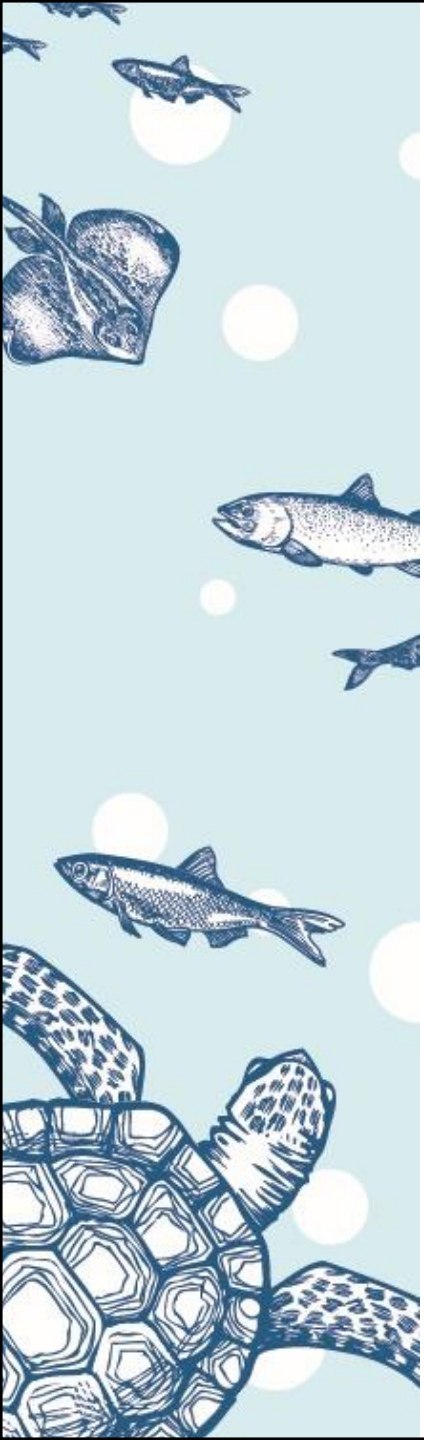
Shareholder Returns

Approx. ¥60.0 billion

- Stable dividends (progressive dividend policy)
- Continued flexible repurchase of treasury shares

M&A

- Creating new synergies through active M&A



Section

04

Improvement of Return on Capital and Shareholder Returns

Major initiatives

1. Promoting growth strategy

Accelerating business portfolio transformation

- ⇒ Shift to Leading-edge businesses and improvement of profitability in the Foundation businesses.
- ⇒ Realizing returns from major investments while expanding profits through aggressive growth investments.

2. Promoting capital / financial strategies

Improving capital efficiency promptly

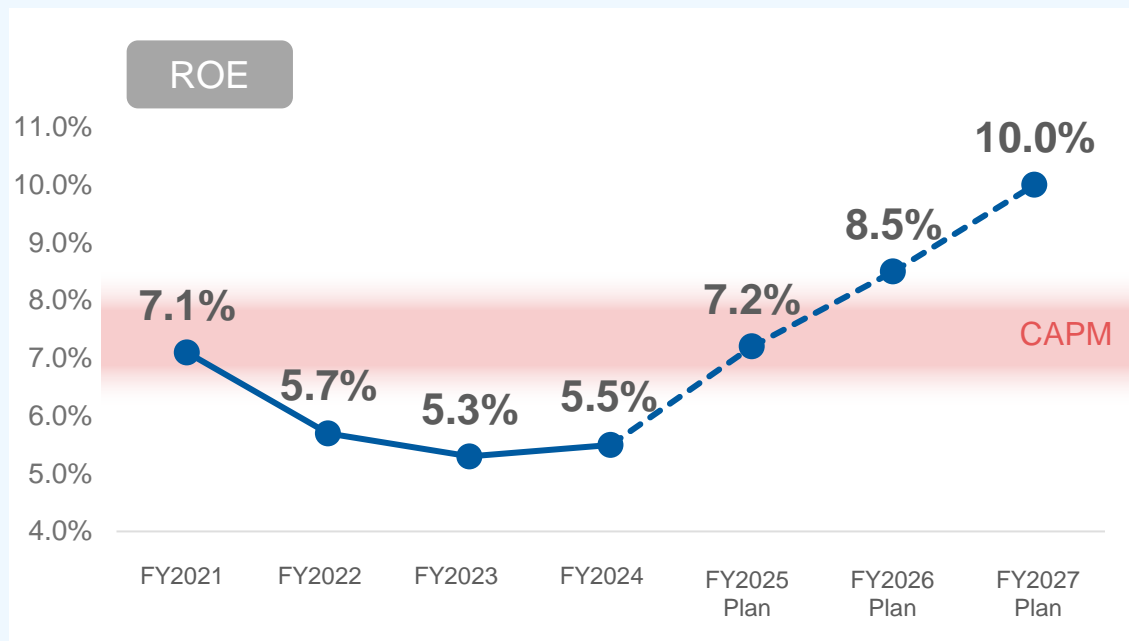
- ⇒ Further enhancement of shareholder returns.
(through stable dividends, flexible repurchase of treasury shares, reduction of cross-shareholdings)
- ⇒ Active cash allocation toward growth investments.



Improve KPIs to return on capital

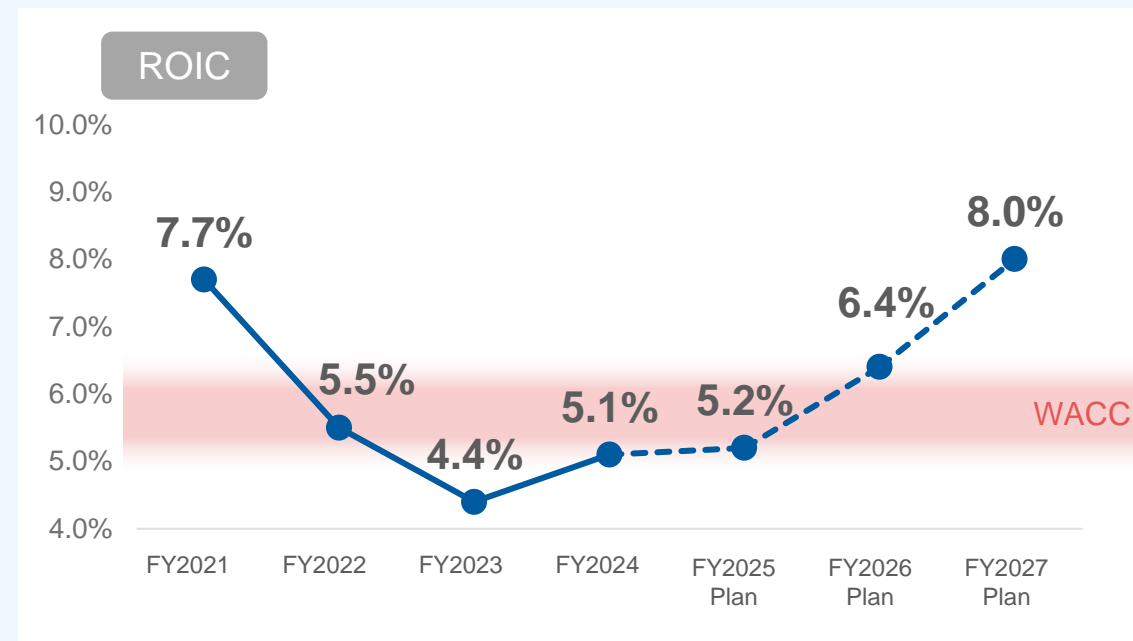
KPIs related return on capital

	FY2024 Result	FY2026 Plan
PBR	0.51x	Over 1.0x
ROE	5.5%	Over 8%
PER	9.5x	Over 13.0x



Aim for over 8.0% in FY2026

Aiming to continuously improve return on capital and enhance shareholder value.



Aim for over 8.0% in FY2027

Striving to exceed the cost of capital at an early stage, with a strong focus on both profitability and return on capital in management.

Policy of Shareholder Returns

- Enhancing shareholder returns by using business profits and capital gains generated by reducing cross-shareholdings.

Dividends

Implementing progressive dividends and ensuring stable dividends over medium to long term (FY2025 - FY2027)

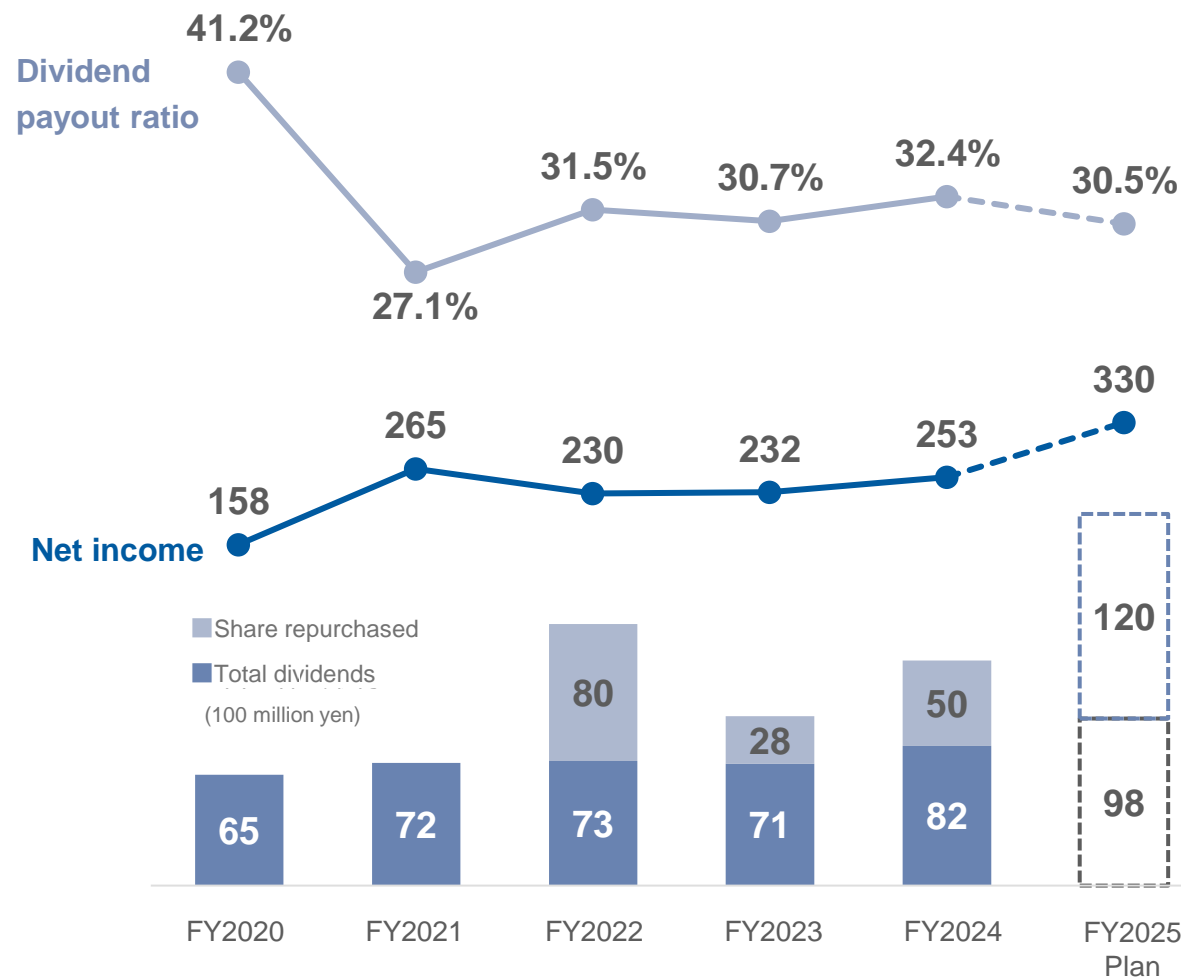
Repurchase of treasury shares

Continuous flexible repurchase of treasury shares

FY2024 Result ¥5.0 billion
FY2025 Plan ¥12.0 billion

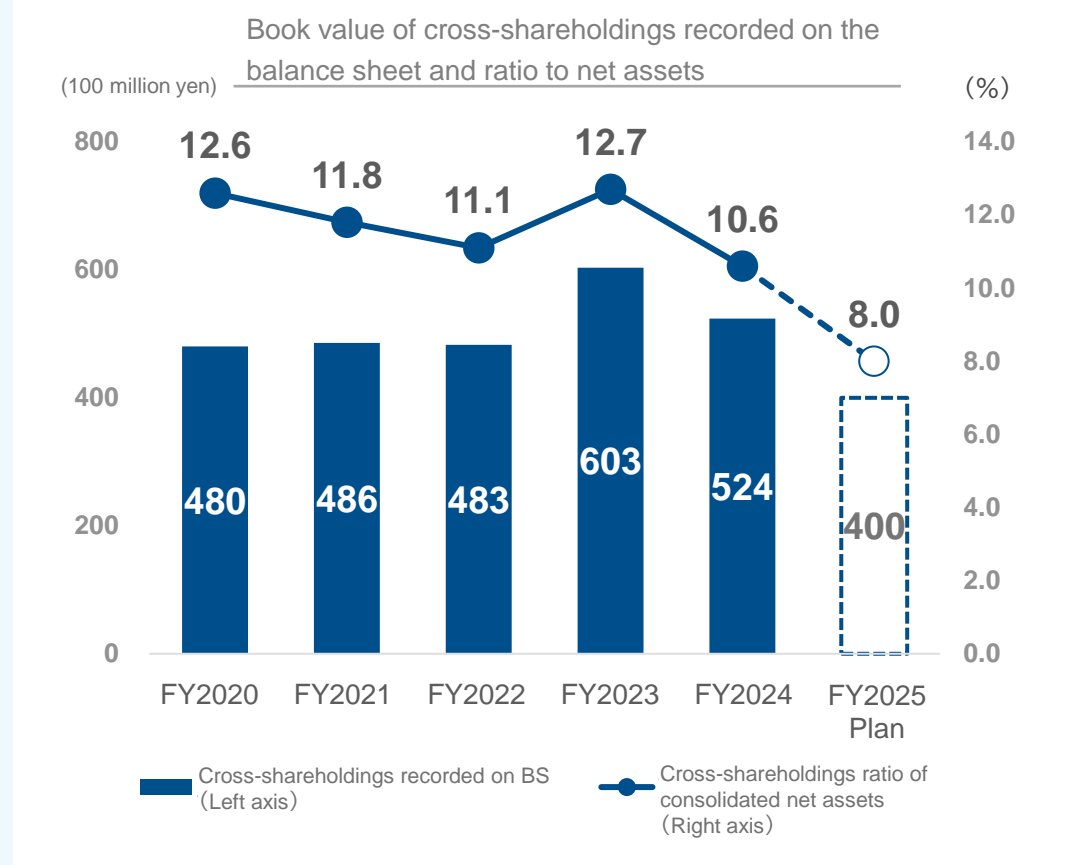
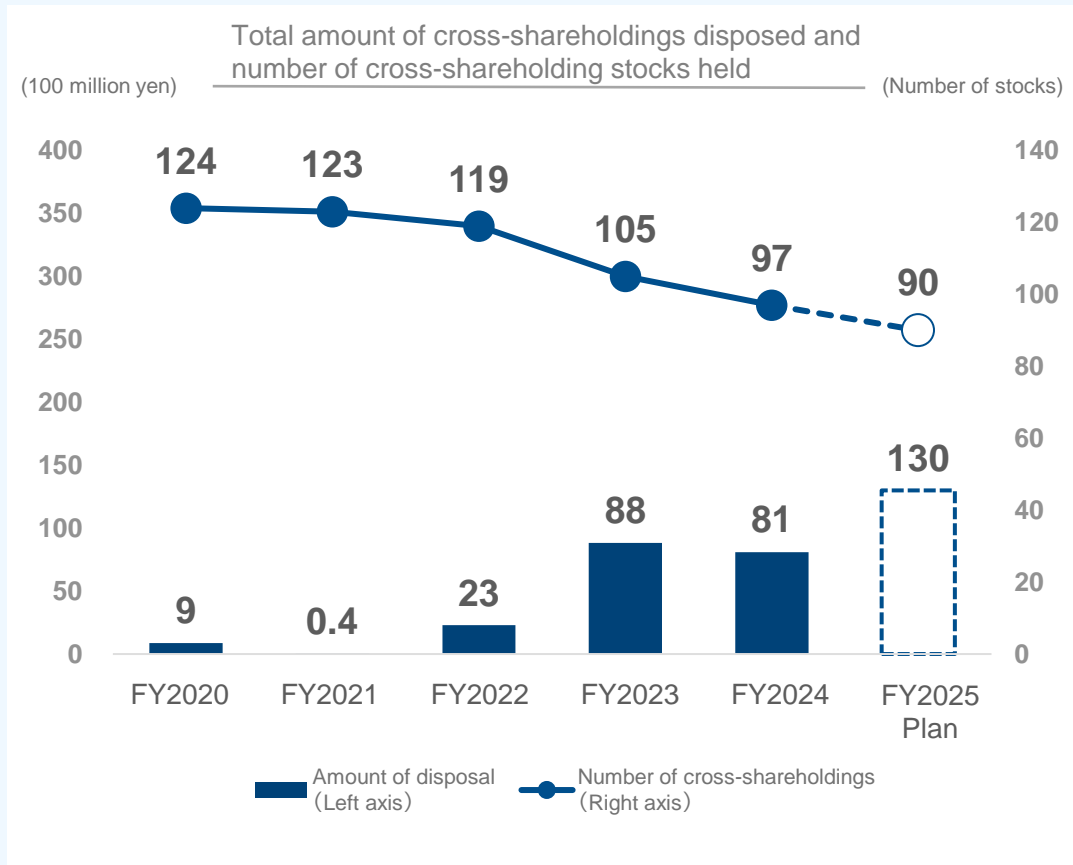
Dividend payout ratio

Target of consolidated dividend payout ratio: over 30%
(Flexibly consider total return ratio of 40% or more as benchmark)



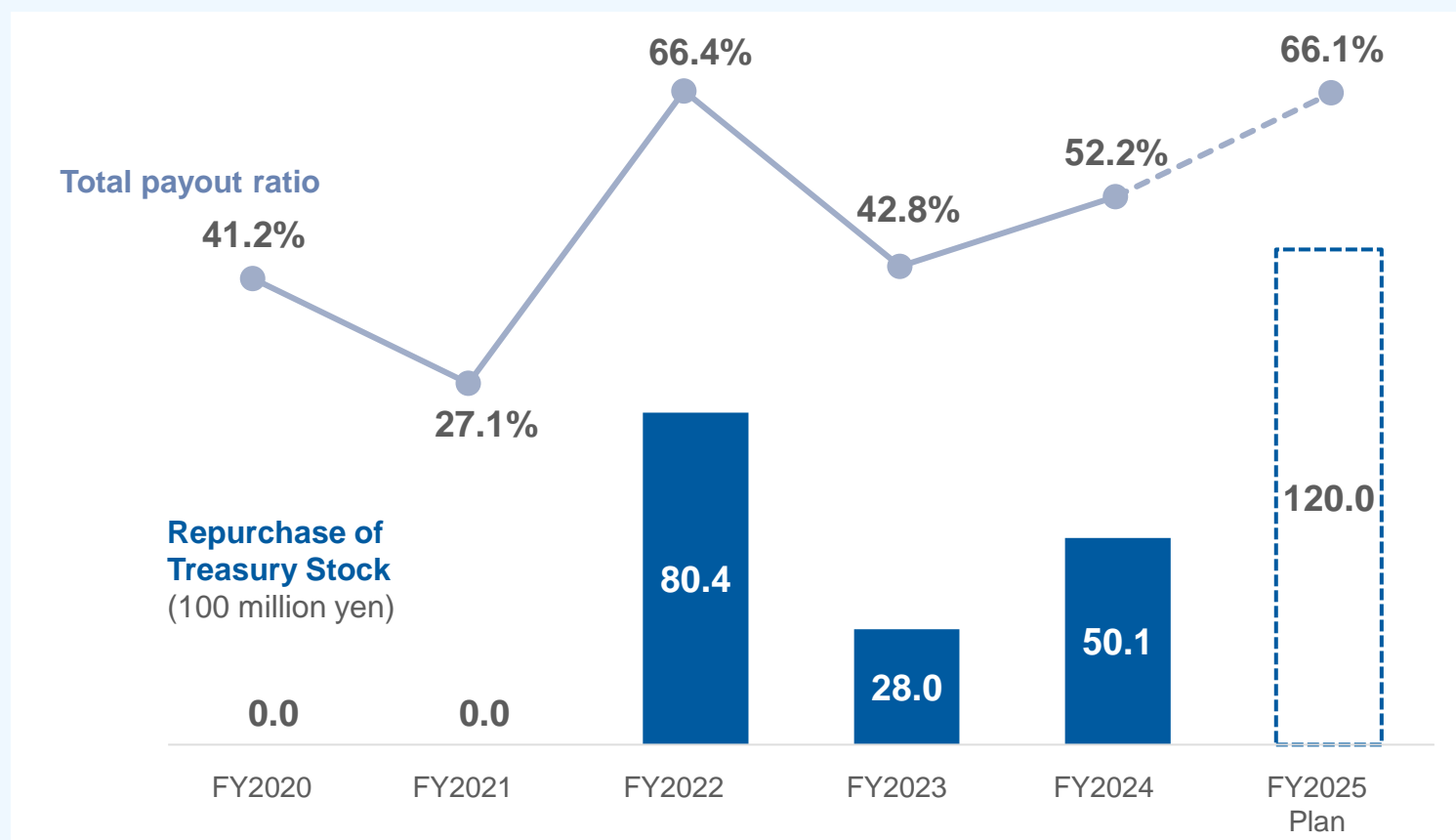
Reduction of Cross-Shareholdings

- Aiming for a net asset ratio of 10% or less by the end of FY2025.
- Steadily reducing cross-shareholdings, with a goal of halving their value by the end of FY2027.
- Funds generated through these reduction will be allocated to growth investments and shareholder returns, including dividends and repurchase of treasury shares.



Repurchase of Treasury Shares

- Consistently repurchased treasury shares since FY2022.
- Decided to repurchase and cancel up to 3 million shares (with an upper limit of ¥12.0 billion), as announced on May 14, 2025.
- Continue flexible and timely share repurchases policy to promote optimal capital structure and enhance shareholder returns.

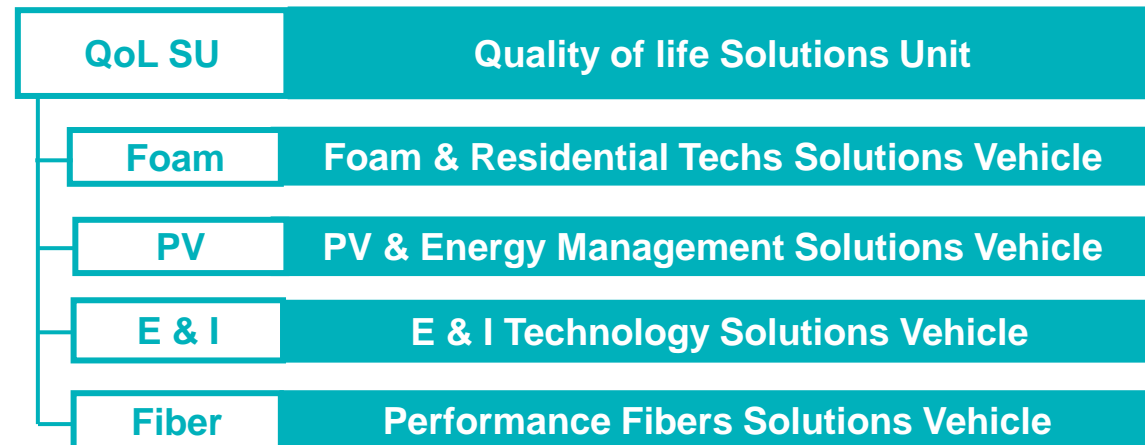
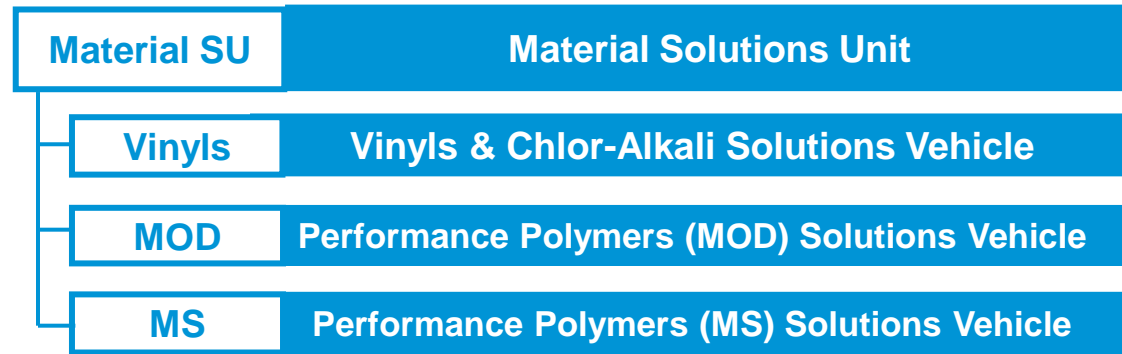


A person is silhouetted against a bright sunset sky, jumping over a white fence. The sun is low on the horizon, creating a warm orange and yellow glow. The sky is filled with soft, white clouds. The person is in mid-air, with one arm extended upwards and the other bent. The fence is a simple white picket fence. The overall scene conveys a sense of freedom and achievement.

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

**The World is eagerly awaiting you
more than ever before**

■ Appendix: The List of Kaneka Business Unit Abbreviations **Kaneka**





Disclaimer:

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