

Kumho Petrochemical

Annual Assessment of Value-up Plan

2026. 03



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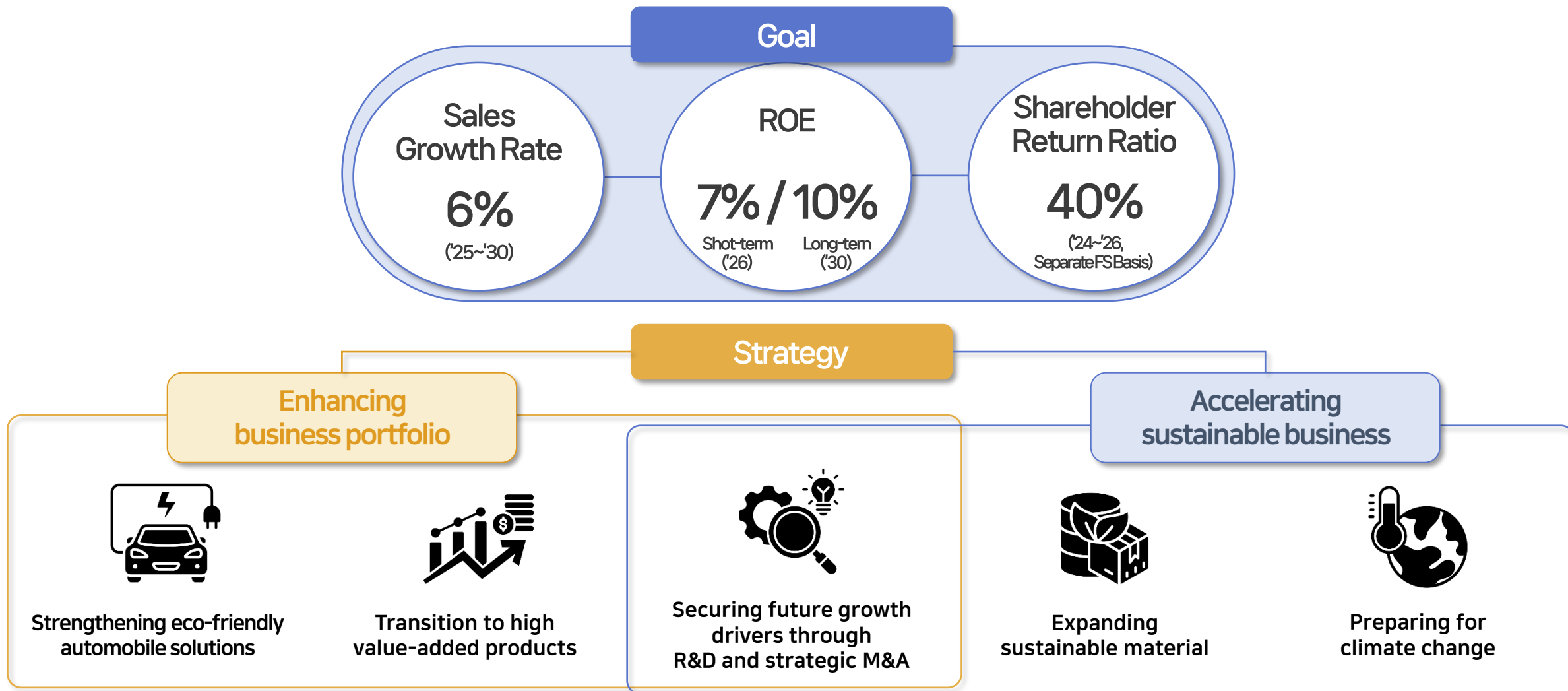
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Goal

Disclosed in Feb, 2025

The company pursues stable and predictable shareholder returns based on continuous growth of core business, investment on new business and improvement of profitability in quantity and quality.



Financial Achievement

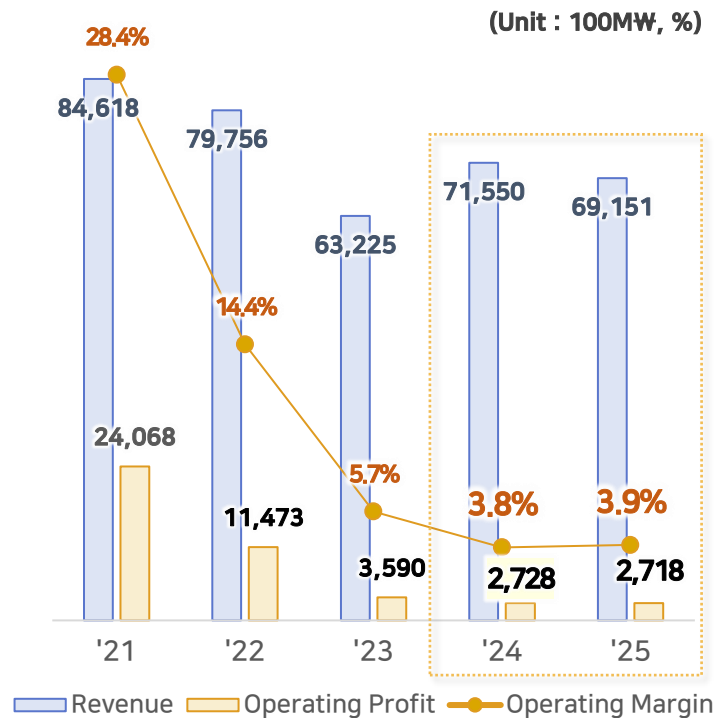
2025

The company continues to record surplus despite prolonged slump in demand resulted from raising global uncertainty including US tariff shock and exchange rate fluctuations.

Revenue & Operating profit

Sales & profit maintained at 2024's level

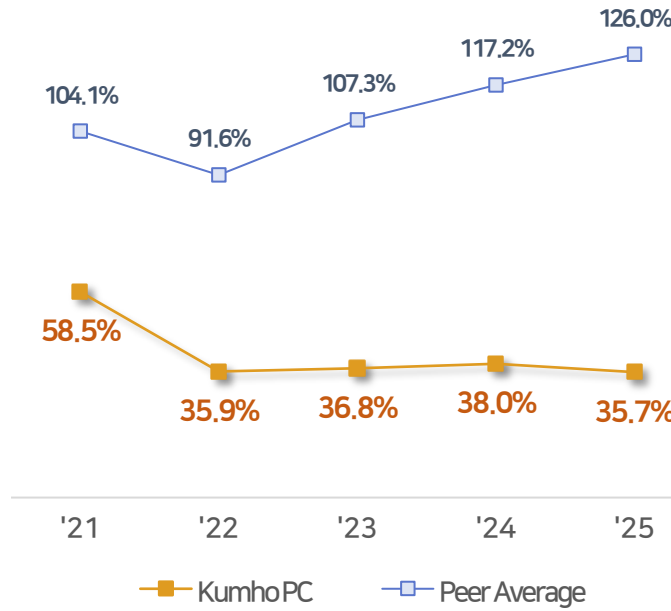
By strengthening core products and partnership with key customers



Debt Ratio

Excellent financial soundness

By improving fund management efficiency, such as increasing the size of repayment of maturing loans

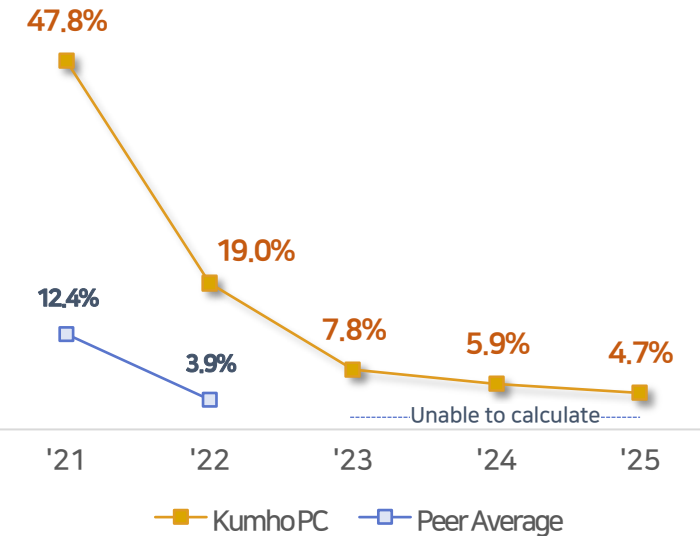


· Peer companies: LG Chemical, Lotte Chemical, Hanwha Solutions
· Figures of peer companies are based on performance by Q3, 2025.

ROE

Better ROE performance

Comparing with the other domestic major petrochemical companies



· Source: Investment indicators status by stocks in KRX Corporate Value-up integrated web page (<https://kind.krx.co.kr/>)
· In order to prevent data distortion, ROE shall be presented as "unable to calculate," if they are negative values
· Figures of peer companies are based on performance by Q3, 2025.

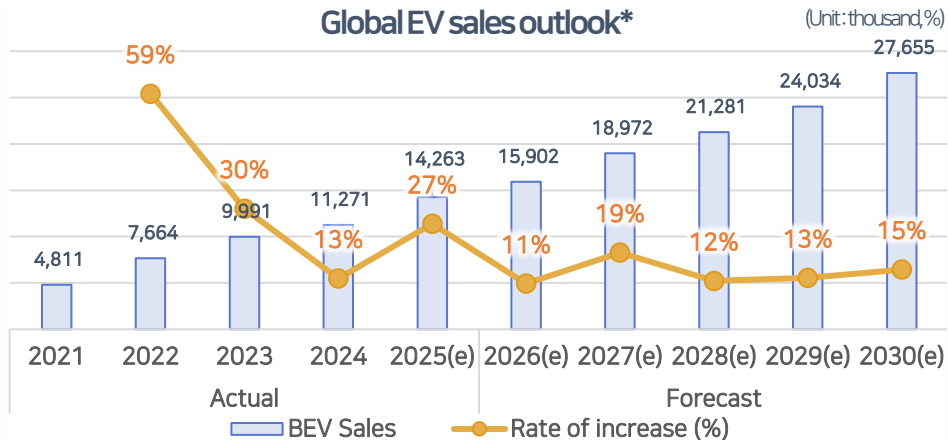
The company has tried to increase profitability and to secure the foundation for sustainable growth by strengthening high value-added products portfolio and R&D capabilities for developing eco-friendly solutions.



Strengthening eco-friendly automobile solutions

- Strengthening SSBR business for EV
 - SSBR expansion complete (+35KT / Total capacity 158KT)
 - Joint R&D of new SSBR for EV with core customers
- Developing new products for secondary battery
 - SB-Latex commercialization for anode binder
 - Synthetic Rubber R&D for all-solid-state battery binder

Global EV sales outlook*



* Source: Mirae Asset Securities Co., Ltd. Research Center

Transition to high value-added products

- Developing new thermal paper developer
 - Increasing market demand on Phenol-free (non-toxic) developer
 - Signed MOU for new product development based on independent technology with major customer



- Expanding high value-added products portfolio based on market-leading technology
 - Next-generation LBR, NdBR development
 - low-toxic SBS, Antioxidants development preparing for environmental regulations

Expanding sustainable material

- Securing supply chain for sustainable raw materials
- ISCC Plus certified (Synthetic Rubber/Resin, Specialty chemicals)
- PCR (Post-Consumer Recycled) HIPS compound development

ISCC Plus



UL certified (PCR HIPS)

Component - Plastics
 Guide Reference: E9542
KOREA KUMHO PETROCHEMICAL CO LTD
 EAST WING 10-14F, SIGNATURE TOWERS SEOUL, 100 CHEONGRYECHON-RO JUNG-GU, SEOUL 100-230 KR
HEF4257LV1
 High Impact Polystyrene (HIPS), furnished as pellets [contains mechanically recycled content]

Color	Min. Thk (mm)	Flame Class	HMI	HAI	BTI Elec (C2)	BTI Imp (C2)	BTI Str (C2)
ALL	1.0	HB	-	-	50	50	50
		TR	-	-	50	50	50

Comparative Tracking Index (CTI) - Inclined Plane Tracking (IPT) IV -
 Dielectric Strength (kV/mm) - Volume Resistivity (10¹⁴ ohm-cm) -
 High Voltage Arc Tracking Rate (HVTR) - Surface Flexibility (10⁴ ohms/square) -
 Dimensional Change (%) - High Volt. Low Current Arc Break (DABSE) -
 (VT) - Visual Softening Point measured 92.5 Deg. C. as the test result per ASTM D1525 (ISO 306) (Method B50 - 50 +/- 1.0 N and 50 +/- 9°C)
 Report Date: 2023-05-22
 Last Revised: 2023-05-22
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GRS certified (PCR HIPS)

Control Union Certifications B.V.
 Stationsplein 13, 8021 CW, Zwolle, Overijssel, NL
 +31 30 426 0100
 www.controlunion.com

Scope Certificate Number: CU1271947GRS-2025-00054217 (continued)
KUMHO PETROCHEMICAL CO., LTD.
GLOBAL RECYCLED STANDARD (GRS)

Under the scope of this certificate, the following products are covered.
 Products Appendix

Product category	Product details	Material composition(*)	Standard (Label grade)	Facility number
Transformed plastic materials (PCR20)	Chips (pellets) (PCR005)	100% Recycled post-consumer Polypropylene (PP4209) 40-50% Polypropylene (PP4209) 100% Other (Material category)	GRS (No label)	TE-00279926 TE-00279942

Notes: (*) Transformation percentages of material composition as reported. | *Signs from labels are indicated in parentheses in the products.

Preparing for climate change

- Operating CCU (Carbon Capture Utilization) facility
- Bio-fuel conversion plan to reduce greenhouse gas
- Establishing LCA (Life Cycle Assessment) calculation system

LCA database development plan

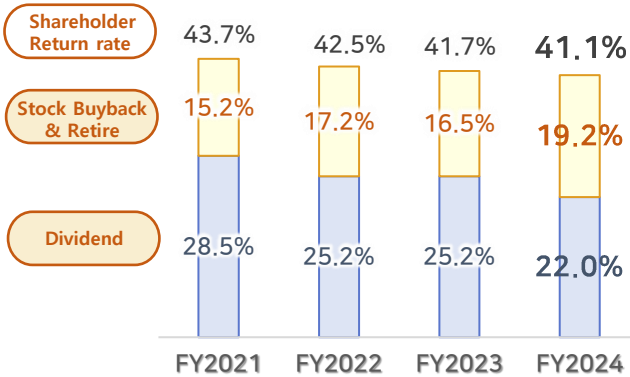
2023	2024	2025	2026
<ul style="list-style-type: none"> • 4 products complete 	<ul style="list-style-type: none"> • 12 products complete (total 16) 	<ul style="list-style-type: none"> • 10 products complete (total 26) 	<ul style="list-style-type: none"> • Plan for complete 1 product (total 27) • Plan to establish standardization and automation system (expanding unit from product to grade)
ABS, SAN, ABS Powder, HIPS	HBR, LBR, NdBR, SBS, SSBR, ADA, K-13, K-5010, K-3020, Electricity (1E), Steam, KBR018	SBR, NBR, HSR, NB-Latex, PCL, MPL, GPPS, EPS, PPG, CPP	CNT

Shareholder Return

Despite the global economic downturn and slowing performance, we are faithfully implementing our shareholder return plan by maintaining a shareholder return rate of over 40% based on stable profits.

Implementation Status(FY2024)

Retaining Shareholder Return Rate
Above 40% for 4th consecutive Year



* Separate net income basis

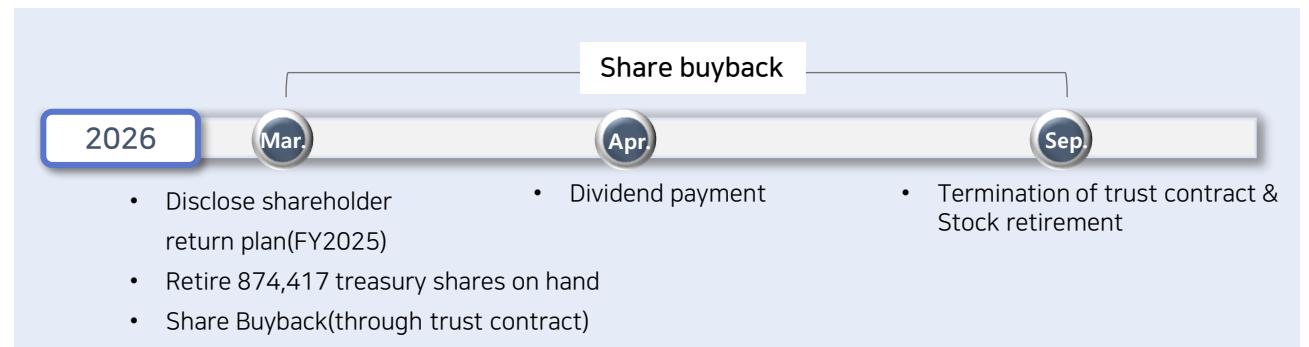
	FY2021	FY2022	FY2023	FY2024
DPS (KRW)	10,000	5,400	2,900	2,200
Stock Buyback & Retire (KRW 100Mn)	1,500	1,000	500	500
Total Shareholder Return rate	43.7%	42.5%	41.7%	41.1%

- ✓ 427,845 treasury shares retired(Mar~ Sep, 2025)
- ✓ 875,000 existing treasury shares retired (2nd year)(Mar, 2025)

Shareholder Return Plan(FY2025)

	Policy	Implementation plan
Maintain shareholder return rate at 42%	Dividend at 20~25%	- Paying dividend KRW1,700 per share and achieving Dividend payout ratio of 25%
	Stock buyback & retire at 10~15%	- Achieving a shareholder return rate of 17% through the decision to acquire and retire KRW 30 billion worth of stocks.
Retire existing treasury stock('24~'26)* (*2,624.417 shares retired over 3years)		- Plan to retire 874,417 shares(3 rd) in March 2026

Detailed Schedule



Maximize long-term shareholder value by diversifying investor communication methods and expanding investor access to information

IR Activity Performance

Key IR Activities

- Conduct in-person meetings and conference calls with domestic and international investors
- Conduct quarterly domestic NDR ('25.3Q~)
- Participate in Corporate Day and conferences hosted by securities firms
- Organize plant tours of the Yeosu site for analysts from domestic securities firms
- Send letters from the Chairman of the Board to shareholders (twice a year) and post them on the company website
: Share business and ESG performance
- Disclose the corporate value up plan
- Provide detailed shareholders' meeting reference material in Korean and English

IR Activity Plan

- Continue efforts to enhance communication with investors and improve investors' access to information
- Actively conduct meetings and conference calls with domestic and international investors
- Continue to promote domestic NDR
- Send letters from the Chairman of the Board to shareholders
- Expand English disclosures, Provide detailed shareholders' meeting reference material in Korean and English
- Provide ESG-related information and regularly disclose key issues to the public.

Additional IR Plans

- Hold quarterly earnings conference calls
- Organize site tours for analysts from domestic securities firms
- Disclose the implementation progress of the corporate value Up plan

ESG Rating

CDP
Climate Change

Leadership, A-



S&P Global
ESG Scores

68/100



EcoVadis

69/100



MSCI

BBB



Korea Corporate
Governance
Service

B+



Sustainalytics

18.3

selected as
Industry Leader for
consecutive 2 years



Awards

Korea Management
Association Consultants

ESG,
Eco-friendly
Management
2024 Grand Prize



Ministry of Finance and
Economy

2023 Prize of 300BW
taxpayers tower



Etc.

Ministry of Gender
Equality and Family

2024
Best Family Friendly
Management
certification



ESG Initiative

joined UN Global
Compact in 2021

