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FY2024 3Q Earnings Presentation

KURARAY CO., LTD.

(Billion yen)

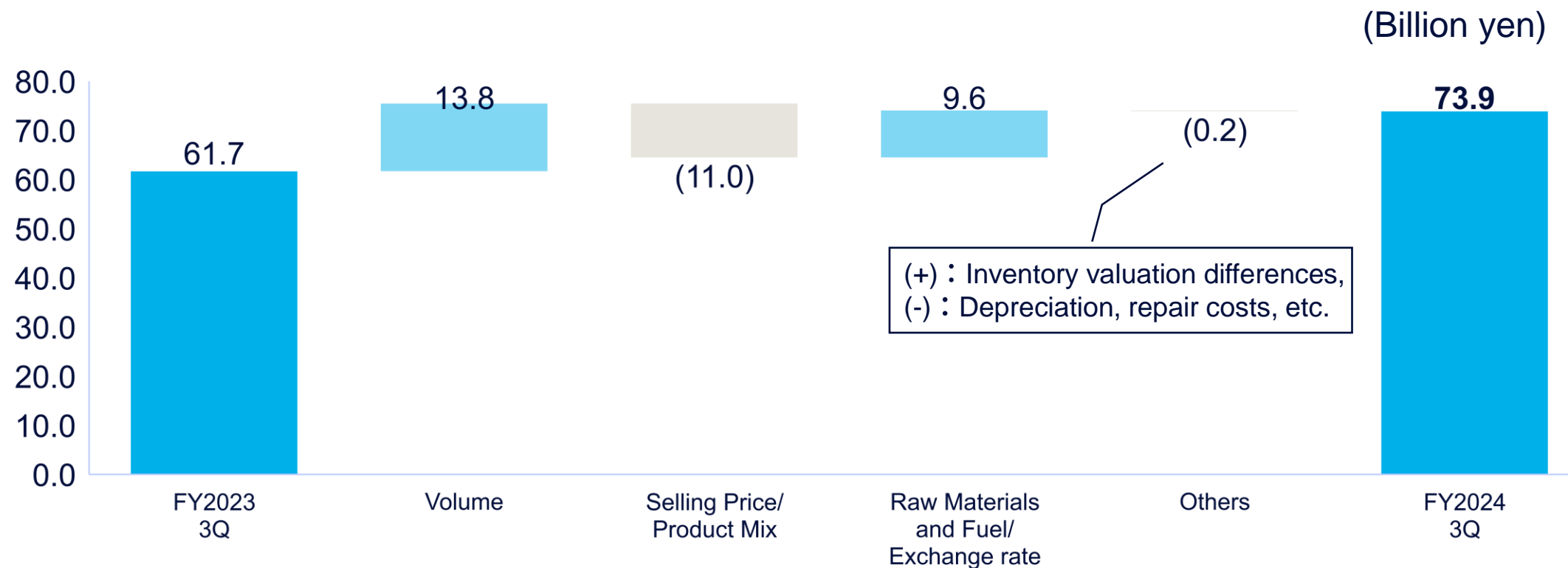
	FY2024 3Q	FY2023 3Q	Difference
Net Sales	614.8	574.4	40.5
Operating Income	73.9	61.7	12.2
Ordinary Income	70.3	57.8	12.6
Net Income Attributable to Owners of the Parent	46.6	36.5	10.1
Reference			
JPY/USD (average)	151	138	
JPY/EUR (average)	165	150	
Domestic naphtha (JPY 1,000/kl)	76	67	

Net Sales and Operating Income by Segment

(Billion yen)

	FY2024 3Q		FY2023 3Q		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	315.5	70.6	302.8	63.8	12.7	6.8
Isoprene	56.1	(5.6)	46.8	(4.1)	9.2	(1.5)
Functional Materials	152.3	9.3	139.6	8.1	12.7	1.2
Fibers & Textiles	46.2	2.2	44.9	1.7	1.3	0.4
Trading	48.2	4.1	44.8	3.7	3.5	0.4
Others	37.1	1.9	34.0	0.6	3.1	1.3
Elimination & Corporate	(40.6)	(8.6)	(38.6)	(12.2)	(2.0)	3.6
Total	614.8	73.9	574.4	61.7	40.5	12.2

Factors Affecting the Change in Operating Income

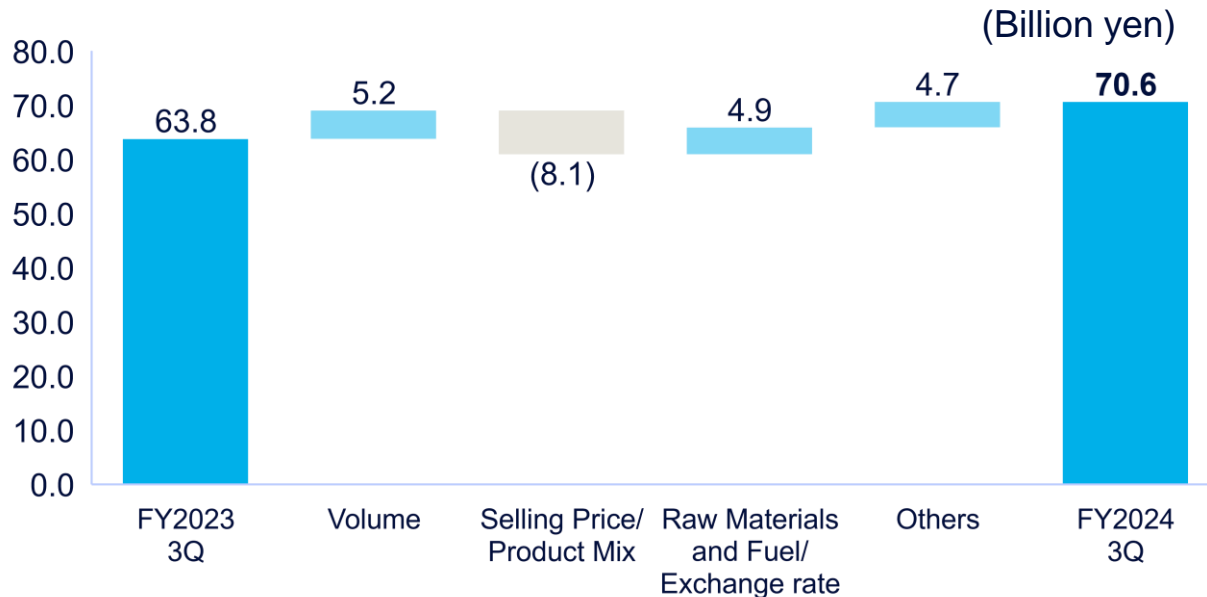


	FY2023 3Q	FY2024 3Q
JPY/USD (average)	138	151
JPY/EUR (average)	150	165
Domestic naphtha (JPY 1,000/kl)	67	76

(Billion yen)

	FY2023 3Q	FY2024 3Q	Difference
Net Sales	302.8	315.5	12.7
Operating Income	63.8	70.6	6.8

【Factors Affecting the Change in Operating Income】

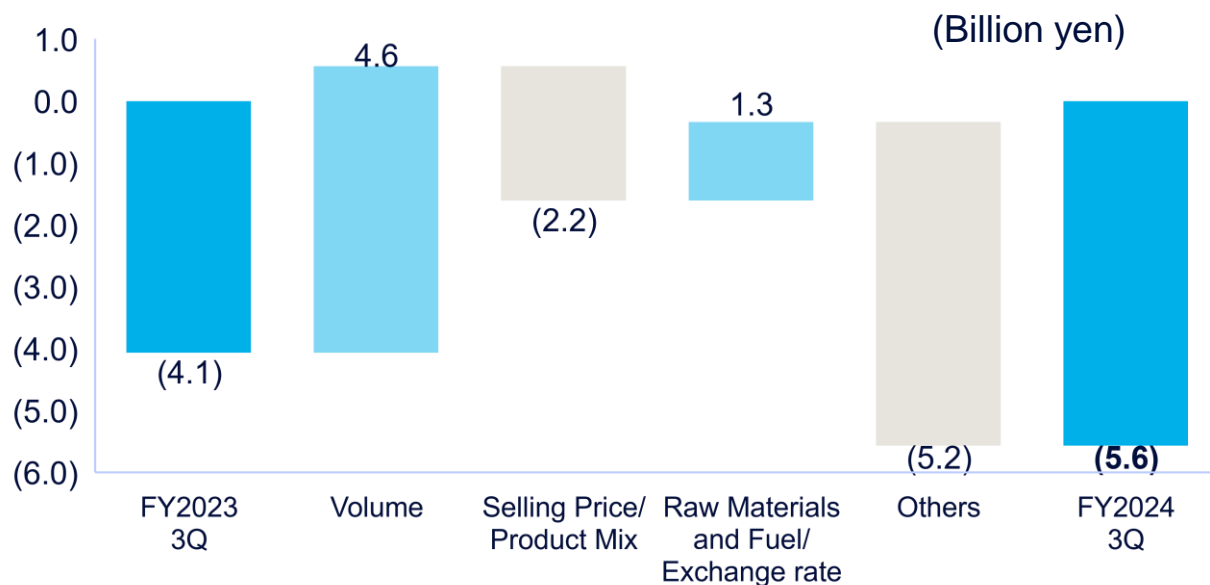


PVOH resin	Despite disruptions in logistics to Europe, sales volume increased due to our stable global supply system.
Optical-use poval film	Despite shipments remaining favorable, sales volume held steady year on year due to effects of shipment adjustments by panel manufacturers at the start of the third quarter.
Advanced Interlayer Solutions	The sales volume decreased due to the effects of ongoing economic stagnation on construction applications in Europe.
Water-soluble PVOH film MonoSol	The sales volume increased due to progress in distribution inventory adjustment despite the effects of protracted economic stagnation in Europe.
EVAL™	The sales volume held steady year on year due in part to food packaging applications continuing on a recovery track since the start of the second quarter and firm sales for automotive applications. We decided to construct a new plant in Singapore (slated to begin operating by the end of 2026).
Main reason of increase/Decrease	While selling prices were adjusted in line with fluctuations in raw material and fuel prices, the impact of inventory valuation differences, which was a major factor in decreasing profits last year, disappeared, resulting in a significant increase in profits for the entire segment.

(Billion yen)

	FY2023 3Q	FY2024 3Q	Difference
Net Sales	46.8	56.1	9.2
Operating Income	(4.1)	(5.6)	(1.5)

【Factors Affecting the Change in Operating Income】



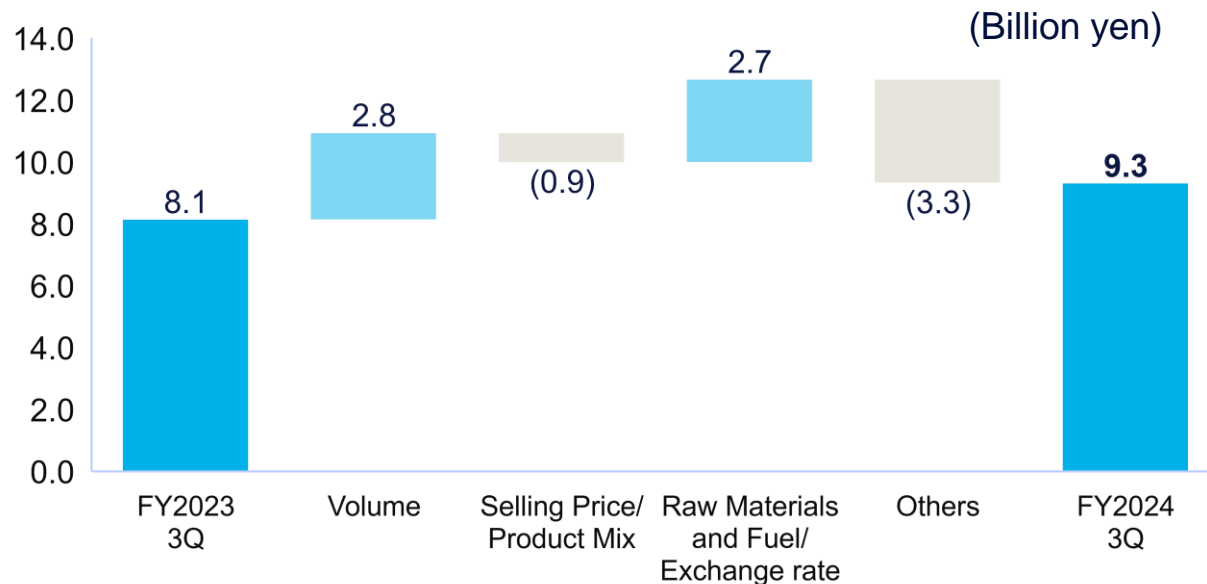
Isoprene Chemicals and Elastomers	The sales volume increased as demand recovered, especially for automotive applications.
GENESTAR™	The sales volume increased amid a recovery in demand emerged for electric and electronic device applications in addition to stable demand for automotive applications.

Main reason of increase/Decrease	Although sales volume increased due to sales expansion with the start of operations in Thailand, profits for the segment as a whole decreased due to sales price adjustments in line with fluctuations in raw material and fuel prices, depreciation costs, and inventory valuation differences.
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(Billion yen)

	FY2023 3Q	FY2024 3Q	Difference
Net Sales	139.6	152.3	12.7
Operating Income	8.1	9.3	1.2

【Factors Affecting the Change in Operating Income】

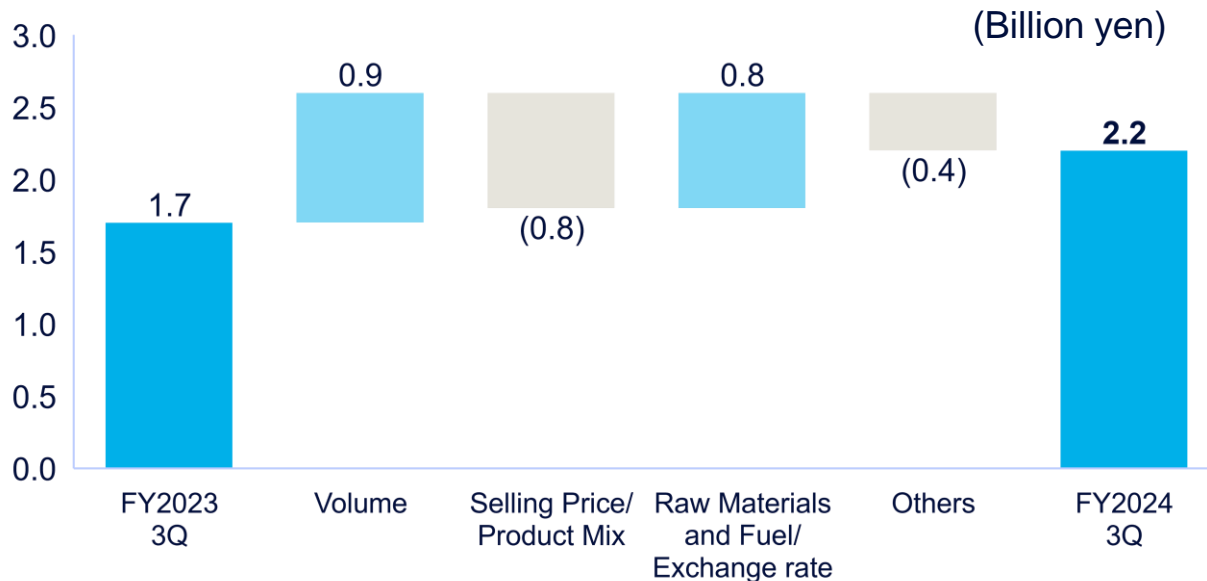


Methacrylate	The sales volume increased amid signs of a recovery in demand, especially for electric and electronic devices. We decided to reduce the production capacity for methyl methacrylate in the second quarter.
Medical	Sales of cosmetic dental materials, mainly in Europe and the United States, remained favorable.
Environmental Solutions	Sales of activated carbon remained steady, especially for drinking water applications in North America. In Europe, however, economic stagnation began to negatively affect demand related to industrial applications. A new activated carbon facility was brought on line in the United States in the first quarter.
Main reason of increase/Decrease	Sales volume of medical products increased. Increased expenses such as depreciation in activated carbon business and sales expenses in medical business were covered by profit increase from lower raw material and fuel cost and yen depreciation.

(Billion yen)

	FY2023 3Q	FY2024 3Q	Difference
Net Sales	44.9	46.2	1.3
Operating Income	1.7	2.2	0.4

【Factors Affecting the Change in Operating Income】



CLARINO™	The sales volume increased due to a recovery in demand for automotive and sports applications.
Fibers and Industrial Materials	Although signs of a recovery emerged in demand for automotive applications, sales in Europe for construction material applications were weak.
Consumer Goods and Materials	Demand for KURAFLEX™ nonwoven fabric and MAGIC TAPE™ hook and loop fasteners was weak. Moreover, in the nonwoven fabrics business, we decided to withdraw from the dry-laid nonwoven fabrics business and to reduce production capacity for meltblown nonwoven fabrics.
Main reason of increase/Decrease	Increase in sales volume, positive impact from yen depreciation and reduction in inventory valuation difference that was a negative factor last year, resulting in an increase in segment profits as a whole.

(Billion yen)

	Sep. 30, 2024	Dec. 31, 2023	Difference
Current Assets	551.9	551.7	0.2
Non-current Assets	702.4	702.8	(0.3)
Total Assets	1,254.3	1,254.5	(0.2)

	Sep. 30, 2024	Dec. 31, 2023
JPY/USD (end of period)	143	142
JPY/EUR (end of period)	159	157

(Billion yen)

	Sep. 30, 2024	Dec. 31, 2023	Difference
Current Liabilities	208.3	200.6	7.7
Non-current Liabilities	298.8	317.8	(18.9)
Total Liabilities	507.1	518.3	(11.2)
Net Assets	747.2	736.2	11.1
Total Liabilities and Net Assets	1,254.3	1,254.5	(0.2)
Equity Ratio	58.1%	56.9%	1.2%
	Sep. 30, 2024	Dec. 31, 2023	
JPY/USD (end of period)	143	142	
JPY/EUR (end of period)	159	157	

(Billion yen)

	FY2024 Revised Forecast (Nov 13, 2024)	FY2023	Difference	FY2024 Forecast (Aug 9, 2024)	Difference
Net Sales	835.0	780.9	54.1	850.0	(15.0)
Operating Income	89.0	75.5	13.5	89.0	0.0
Ordinary Income	84.0	69.0	15.0	84.0	0.0
Net Income Attributable to Owners of the Parent	55.0	42.4	12.6	55.0	0.0
(Reference)					
JPY/USD (average)	151	141		149	
JPY/EUR (average)	163	152		160	
Domestic naphtha (JPY 1,000/kl)	75	68		77	

- Completed share buyback (11.02 million shares) on Oct 31, 2024
- Decided cancellation of treasury stocks (30 million shares) at the Board of Directors meeting on Nov 13, 2024

	Dividend ¥40 or more/ year	Share Buybacks Conduct flexibly	Total Return Ratio 35% or more
2023	Interim	¥25	39.4%
	Year-end	¥25	
	Annual	¥50	
2024 (plan)	Interim	¥27(+¥2)	approx. 68%
	Year-end (Plan)	¥27(+¥2)	
	Annual (Plan)	¥54(+¥4)	

¥20.0 billion
(Conducted May 15, 2024
thru Oct 31, 2024)

【Ref.】 Net Sales and Operating Income by Segment

(Billion yen)

	FY2024 Revised Forecast (Nov 13, 2024)		FY2023		Difference		FY2024 Forecast (Aug 9, 2024)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	420.0	88.0	406.8	86.3	13.2	1.7	423.0	85.0	(3.0)	3.0
Isoprene	76.0	(8.0)	65.7	(10.9)	10.3	2.9	77.5	(7.0)	(1.5)	(1.0)
Functional Materials	210.0	14.0	189.8	10.3	20.2	3.7	215.0	15.0	(5.0)	(1.0)
Fibers & Textiles	66.0	2.0	61.9	1.8	4.1	0.2	69.0	3.5	(3.0)	(1.5)
Trading	67.0	5.7	61.6	5.2	5.4	0.5	67.0	5.7	0.0	0.0
Others	51.0	2.0	45.7	0.5	5.3	1.5	46.5	2.5	4.5	(0.5)
Elimination & Corporate	(55.0)	(14.7)	(50.4)	(17.8)	(4.6)	3.1	(48.0)	(15.7)	(7.0)	1.0
Total	835.0	89.0	780.9	75.5	54.1	13.5	850.0	89.0	(15.0)	0.0

【Ref.】 Quarterly Net Sales by Segments

(Billion yen)

	FY2023					FY2024				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	97.8	101.1	103.9	104.0	406.8	99.0	109.8	106.7	104.5	420.0
Isoprene	15.8	16.0	15.0	18.8	65.7	17.2	20.4	18.5	19.9	76.0
Functional Materials	45.4	48.0	46.3	50.1	189.8	48.7	54.0	49.6	57.7	210.0
Fibers & Textiles	13.5	16.6	14.8	16.9	61.9	13.8	17.4	15.0	19.8	66.0
Trading	13.8	15.2	15.8	16.8	61.6	15.3	16.9	16.0	18.8	67.0
Others	11.3	11.5	11.1	11.7	45.7	11.7	13.3	12.1	13.9	51.0
Elimination & Corporate	(12.7)	(12.4)	(13.5)	(11.8)	(50.4)	(13.6)	(12.8)	(14.2)	(14.4)	(55.0)
Total	185.0	196.0	193.4	206.6	780.9	192.2	219.0	203.6	220.2	835.0

【Ref.】 Quarterly Operating Income by Segments

(Billion yen)

	FY2023					FY2024				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	17.8	22.4	23.5	22.6	86.3	24.8	19.1	26.7	17.4	88.0
Isoprene	0.2	(2.9)	(1.4)	(6.8)	(10.9)	0.0	(4.0)	(1.5)	(2.4)	(8.0)
Functional Materials	3.5	2.3	2.4	2.2	10.3	3.2	3.2	2.8	4.7	14.0
Fibers & Textiles	0.2	0.4	1.1	0.1	1.8	(0.2)	1.0	1.5	(0.2)	2.0
Trading	1.1	1.2	1.4	1.4	5.2	1.3	1.4	1.4	1.6	5.7
Others	0.1	0.5	0.0	(0.1)	0.5	0.4	0.5	1.0	0.1	2.0
Elimination & Corporate	(1.6)	(4.2)	(6.3)	(5.6)	(17.8)	(0.8)	(4.5)	(3.3)	(6.1)	(14.7)
Total	21.3	19.6	20.7	13.8	75.5	28.8	16.7	28.5	15.1	89.0

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- All figures are rounded to the nearest hundred million yen.
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