December 18, 2023

Management Briefing

KURARAY CO., LTD.

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Today’s Agenda

1. Introduction

Nobuhiko Takai
Director and Managing Executive Officer
President, Functional Materials Company

2. Dental Business and its Strategy

Satoshi Yamaguchi
General Manager of Medical Division,
President of Kuraray Noritake Dental Inc.

kuraray

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Kuraray Group Products that contribute to the Natural and Living Environments

Improving natural environment

Asbestos substitutes

- KURALON™
  - Help extend the life of cement materials
  - Fewer GHG emission compared to competitive products

Bio-based or recycled raw materials

- Liquid rubber made from bio-based materials



- Environmentally friendly polyester fiber and textile products
- Recycled raw material-used CLARINO™ man-made leather
  - Reduce scope3 GHG emission

Water and air purification

- Activated carbon







  - Easy to reactivate
  - Suitable for environmental regulation

Lower logistical burden/ Food loss reduction

- EVAL™ EVOH resin
  - Recyclable (contributes to a circular economy)
  - Reduces food loss
- Bio-based gas barrier material PLANTIC™
  - Reduce Scope3 GHG emission
  - Reduce food loss



Improving living environment

Make dentists and patients life easier

- Dental materials
  - Shorten time of treatment
  - Long-lasting products reduce number of replacements

High-speed communication

- VECSTAR™
  - Realize high-speed communication



Lightweight EVs

- GENESTAR™ heat-resistant polyamide resin
  - Improve durability of end-product

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Introduction: Overview of Functional Material Segment

The segment have products and businesses that have high function

Functional Material Segment

Methacrylate Division

Methacrylate resin



Medical Division

Dental material

Synthetic bone



Environmental Solutions Division

Activated carbon

KURANODE™, hard carbon for lithium-ion battery anodes



Environmental Business Development and Promotion Division

Industrial fiber membranes



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Dental Business and its Strategies

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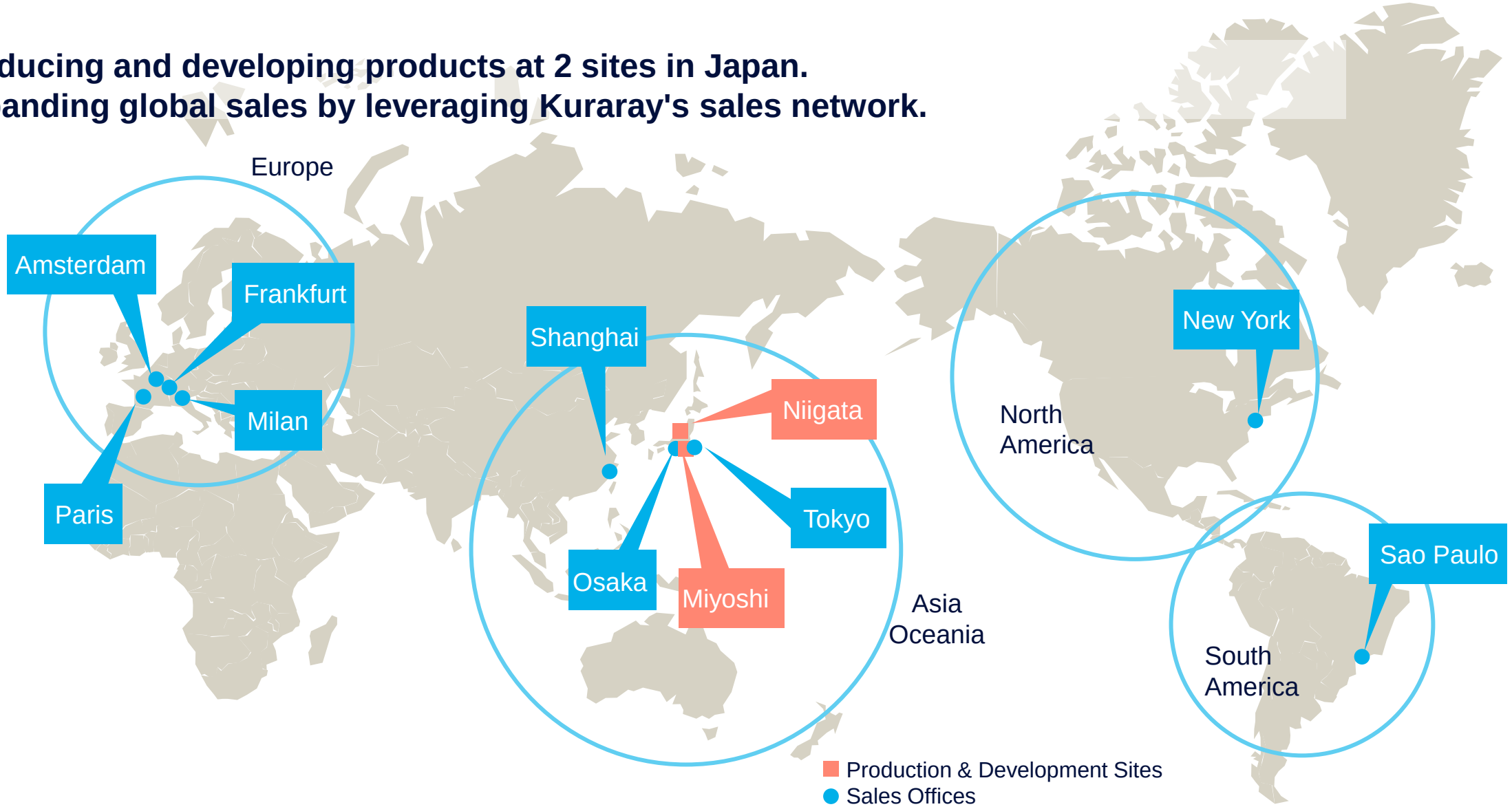
Overview of Kuraray Noritake Dental Inc.

- Kuraray Noritake Dental Inc. commenced operations following the integration of Kuraray Medical Inc. and Noritake Dental Supply Co., Limited on April 1, 2012
- Investment ratio: 66.7% from Kuraray Co., Ltd. and 33.3% from Noritake Company Ltd.
- Principal businesses:
  Development, production and sale of dental bonding agents, fillings, porcelains, CAD/CAM materials, etc.
- Capital: ¥300 million
- Representative: Mr. Satoshi Yamaguchi

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Global Network

Producing and developing products at 2 sites in Japan.
Expanding global sales by leveraging Kuraray's sales network.

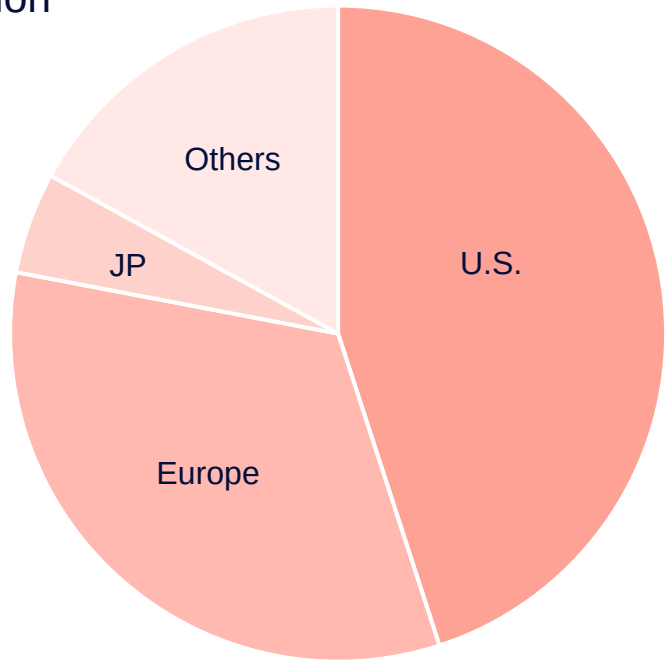


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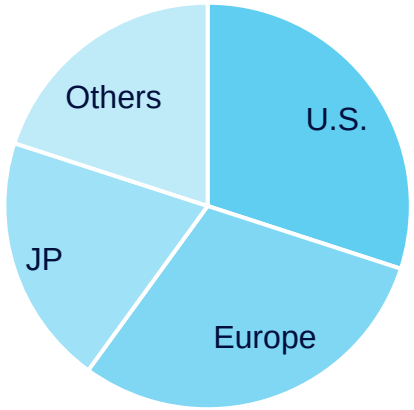
Global Dental Device Market

The entire market for dental devices is about ¥5 trillion. Of this, our target market is estimated to be ¥400 billion. The market is growing at an annual rate of about +3%. Developed countries such as the U.S., Europe and Japan account for 20-30% each of the market.

Dental device market total:
¥5 trillion



Our target market
(bonding agents, fillings, dental porcelains, CAD/CAM materials, etc.):
¥400 billion (Kuraray estimates)



Data Source: Fitch Solutions “Worldwide Medical Devices Market Factbook” (2023 April)

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Our Strength

Synergy from the integration of Kuraray Medical Inc. and Noritake Dental Supply Co., Limited

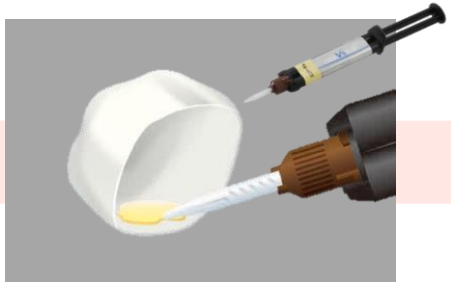
By having a wide range of resin and ceramic materials, we are able to provide a "total solution".

Resin materials — Produced at Niigata Plant (formerly produced by Kuraray Medical Inc.)

Ceramic materials — Produced at Miyoshi Plant (formerly produced by Noritake Dental Supply Co., Limited)



Porcelain, Zirconia (Crown)



Cement (Adhere crown)

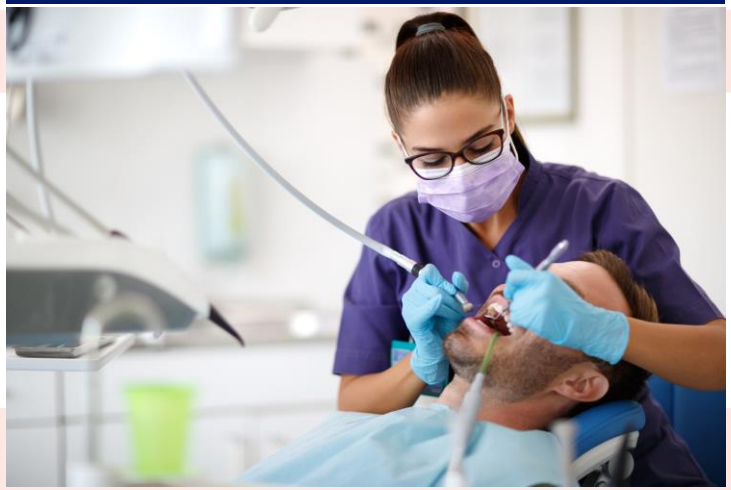


Bond (Adhere filling)



Composite Resin(CR) (Filling)

Dentists



By providing main dental materials needed for treatment all together, contributing to improving convenience for dentists



Treatment by crown

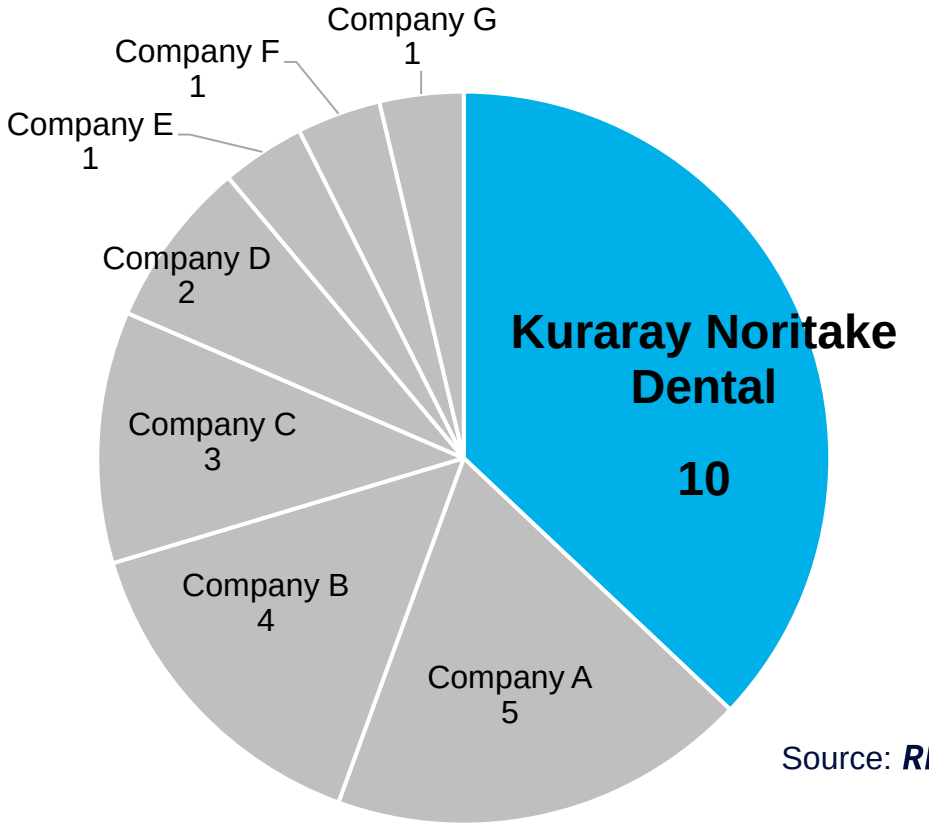


Treatment by filling

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Highly evaluated by REALITY, independent dental material evaluation agency in the U.S.

Number of products obtaining **REALITY** “FIVE STAR AWARD (Highest Rating)” in Bond, Cement and Composite Resin category



Source: ***REALITY*** **RATINGS & REVIEWS**

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Progress of Medium-Term Management Plan

Steady progressing in each measure

Help improve QOL by shortening treatment time and contributing to preventive treatment and dental care for seniors.

- Expand the lineup of CAD/CAM materials, such as zirconia
- Accelerate the development of bioactive materials

→ Progressing steadily toward launching new products in 2024 and beyond

Strengthen sales and marketing capabilities

- Strengthen marketing in Europe and the U.S.
- Enhance communications using the combination of conventional face-to-face sales and digital marketing

→ Strengthening marketing activities cooperating with KOL* (Key Opinion Leader)

*KOL: Dentists and dental technicians who are familiar with trends in dental treatment and materials. They provide guides for product selection and treatment to other dentists and dental technicians.

Establish the product supply system to achieve global business expansion

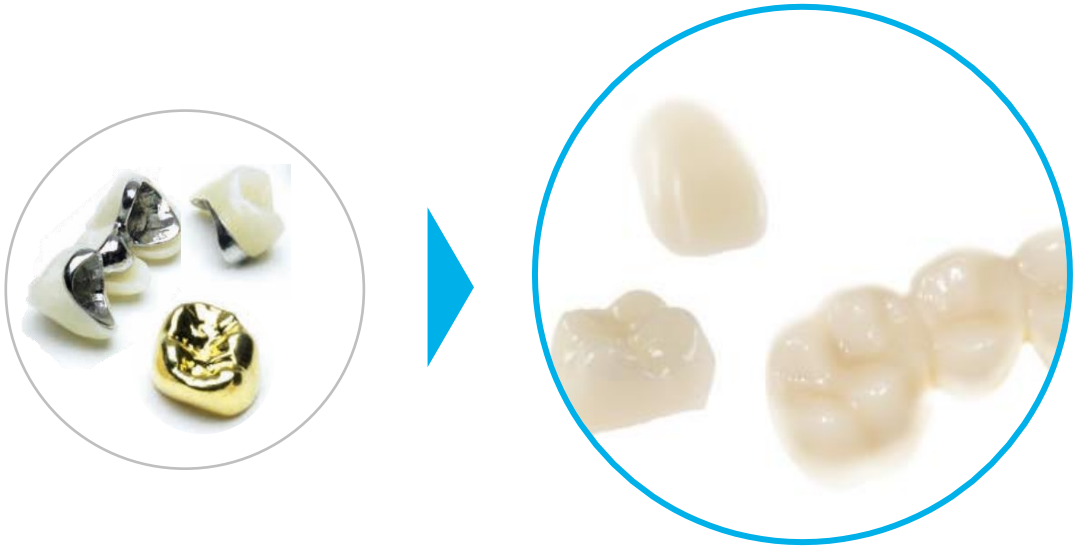
- Strengthen stockpile management
- Expand production capacity

→ Developing an efficient and optimal global supply chain. In response to increased sales, expanding production capacity by hiring personnel and conducting capital investment.

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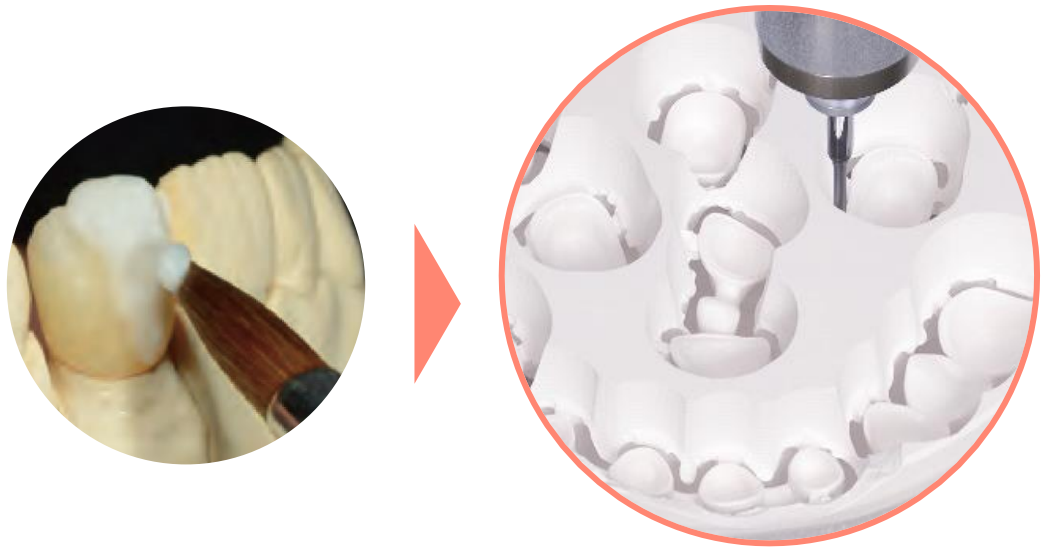
Wide spread of demetallization and use of CAD/CAM system

Demetallization



Ceramic and resin materials are becoming mainstream, rather than metal

Use of CAD/CAM system



Milling of CAD/CAM materials is becoming mainstream, rather than the building of porcelain by hand

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Focused Product：Zirconia Block

Zirconia CAD/CAM materials for dental crowns used in dental clinics
Having high strength and color gradation close to that of natural teeth

Metal	Zirconia Block
○ Strength × Esthetics	○ Strength ○ Esthetics





Image of dental crown making process by Zirconia Block

Drastically reduced processing time for crowns, enabling one-day treatment
Expanding sales mainly in the U.S. by meeting the need to refrain from going out during pandemic

Visit dental clinic











Intraoral scanning and designing

Milling
At fastest **5** Minutes

Sintering
At fastest **18** minutes

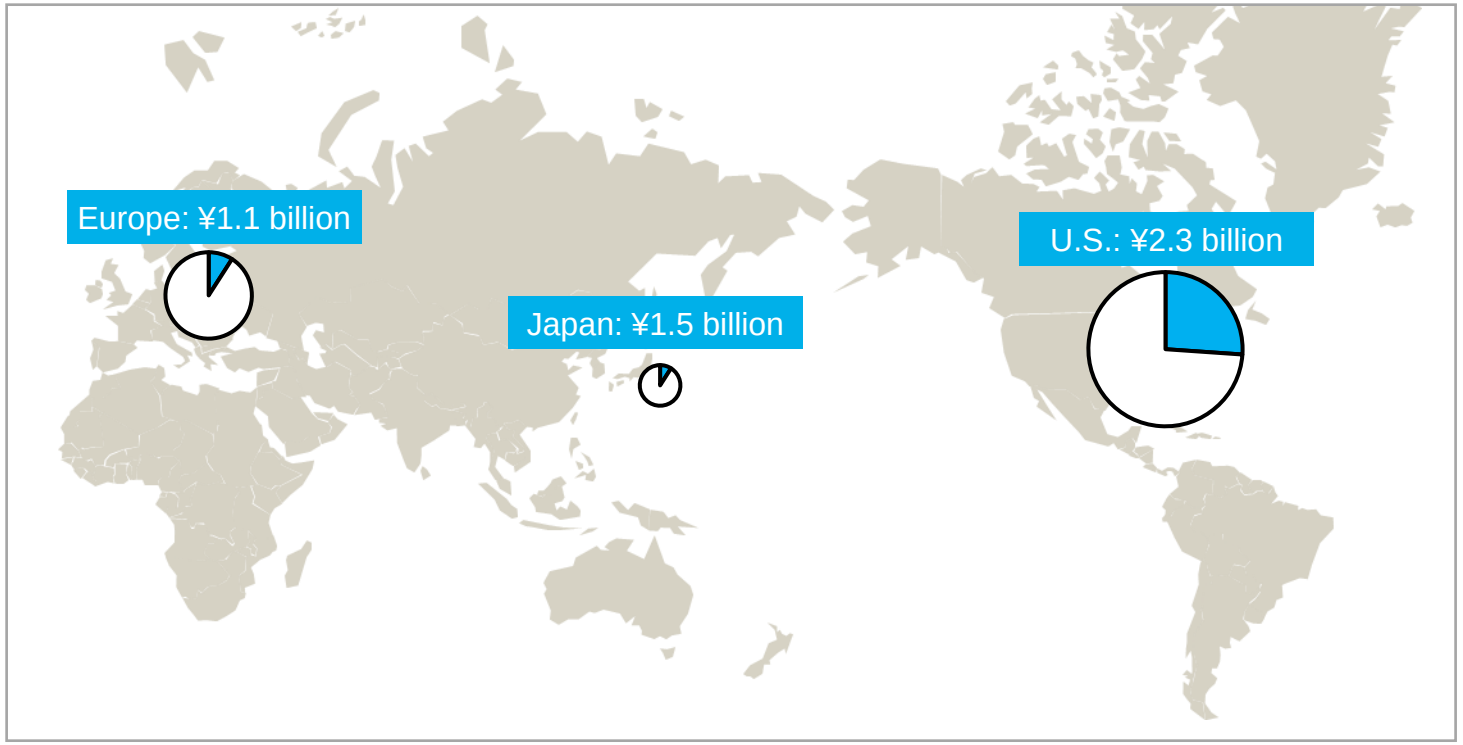
Complete
(Fitting on the same day)

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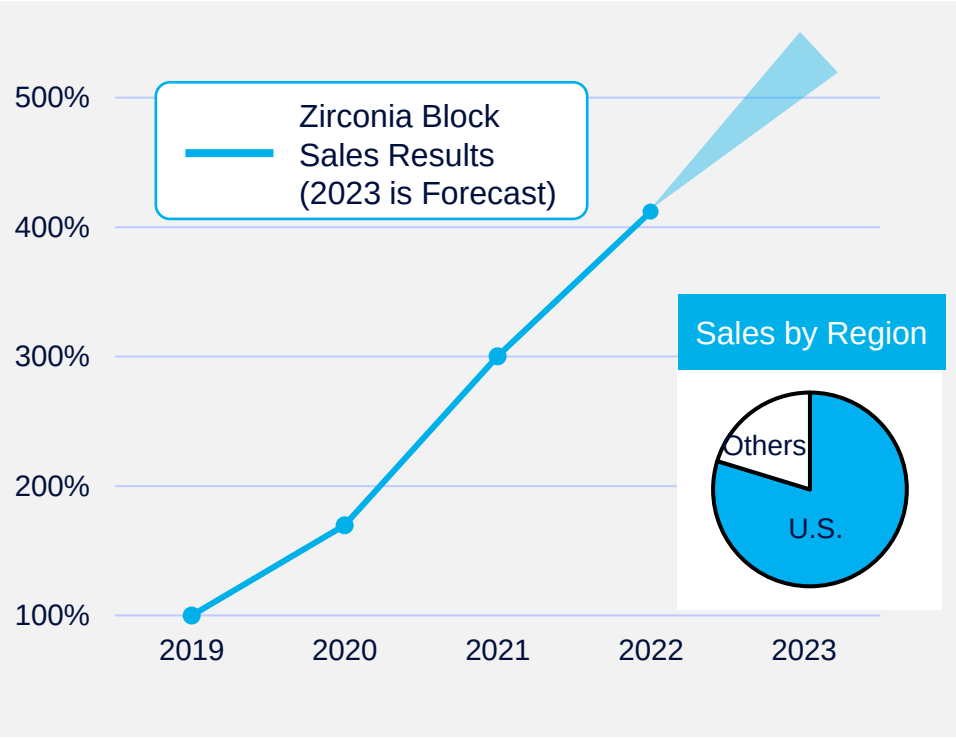
Product Development

The market for CAD/CAM materials for dental clinics is expanding, mainly in the U.S..
Since the launch of the Zirconia Block, which has the high strength, high esthetics and short processing time, sales are expanding at an annual rate of +60%

Market size of CAD/CAM materials for clinics
(Blue part=Zirconia Block)



Kuraray Noritake Dental's Zirconia Block Sales trend
(2019 as 100%)



*All Market size are estimated by Kuraray.

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Capacity Expansion at Miyoshi Plant

- To accelerate expansion of dental business, decided to invest in production capacity expansion for ceramic materials at Miyoshi Plant (Miyoshi City, Aichi Prefecture)

Investment Overview

- Location: Miyoshi City, Aichi Prefecture in Miyoshi Plant of Noritake
- Capacity Expansion: At most +250t/year, Total capacity 490t/year
  (Including future investment. Expansion by this time's investment is +60t/year, Total capacity 300t/year)
- Start of operation: Middle of 2026
- Investment amount: ¥2.2 billion
- Total floor area: about 12,000m^2



Ceramic materials

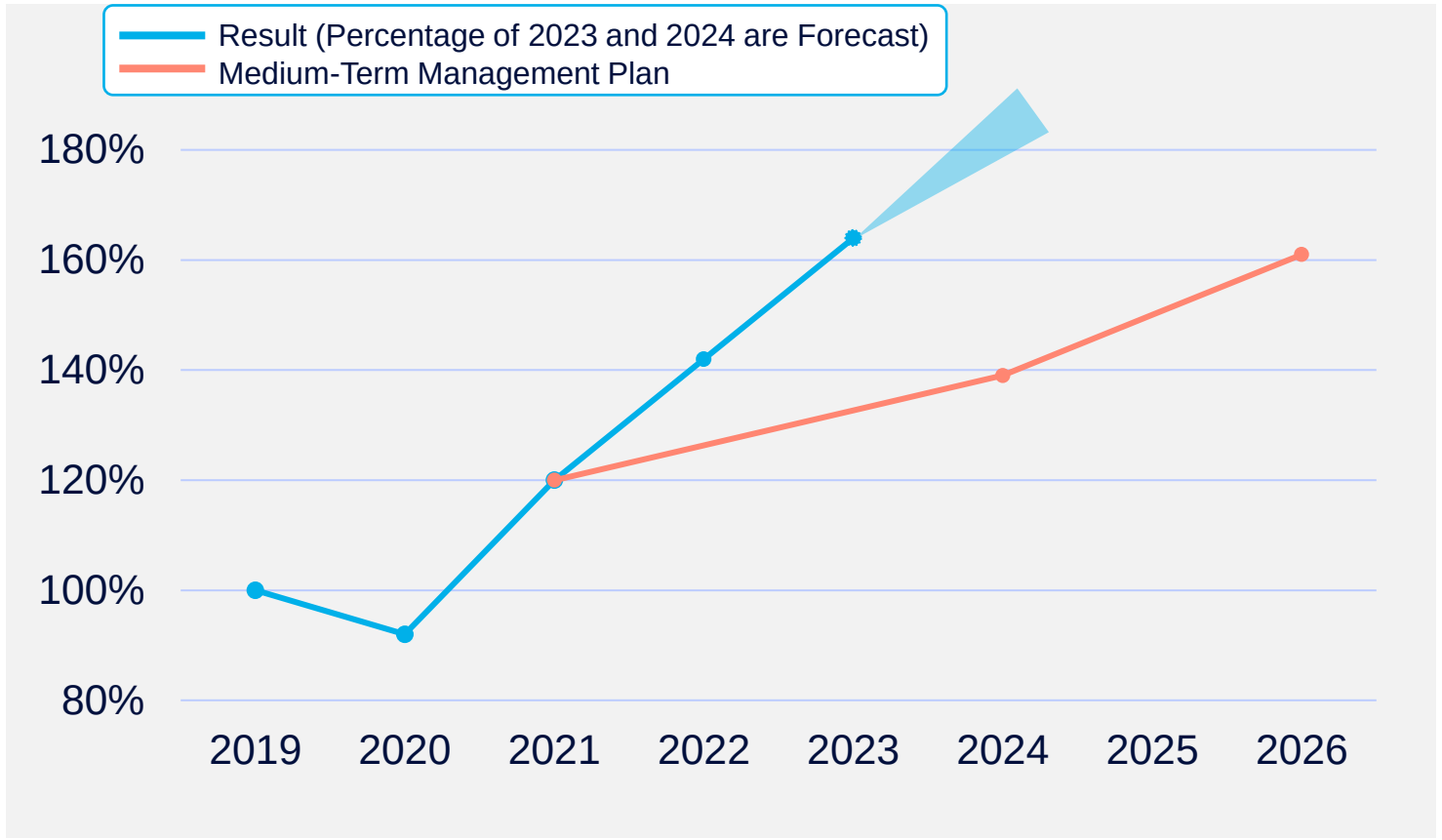
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Sales Overview

During the period of Medium-Term Management Plan from 2022 to 2026, we are aiming for annual sales growth rate of +10% by expanding sales in the U.S. and Europe.

Regarding the progress of Medium-Term Management Plan, sales growth rate has been significantly exceeding +10%.

Kuraray Noritake Dental's Sales trend (2019 as 100%)



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At the end. . .

We aim to develop new technology and products that improve the QOL of dentists and patients.

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- All figures are rounded to the nearest hundred million yen.
- This presentation contains various forward-looking statements which are based on the current expectations and assumptions of future events. All figures and statements with respect to the future performance, projections, and business plans of Kuraray and its group companies constitute forward-looking statements. Although Kuraray believes that its expectations and assumptions are reasonable, actual results and trends of Kuraray's performance could differ materially from those expressed or implied by such figures or statements due to risks and uncertainties in the future business circumstances. The factors which may cause such difference include, without limitation: (1) general market and economic conditions in Asia including Japan, the U.S., Europe and other regions; (2) fluctuations of currency exchange rates, especially between the Japanese yen and the U.S. dollar and other foreign currencies; (3) changes in raw material and fuel costs; (4) industrial competition and price fluctuations in Japan and international markets; (5) advance or delay in the construction of new plants and production lines; (6) successful development of new products and technologies; and (7) changes in laws and regulations (including tax and environmental) and legal proceedings.

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