

FY2020 3Q Earnings Presentation (Overview)

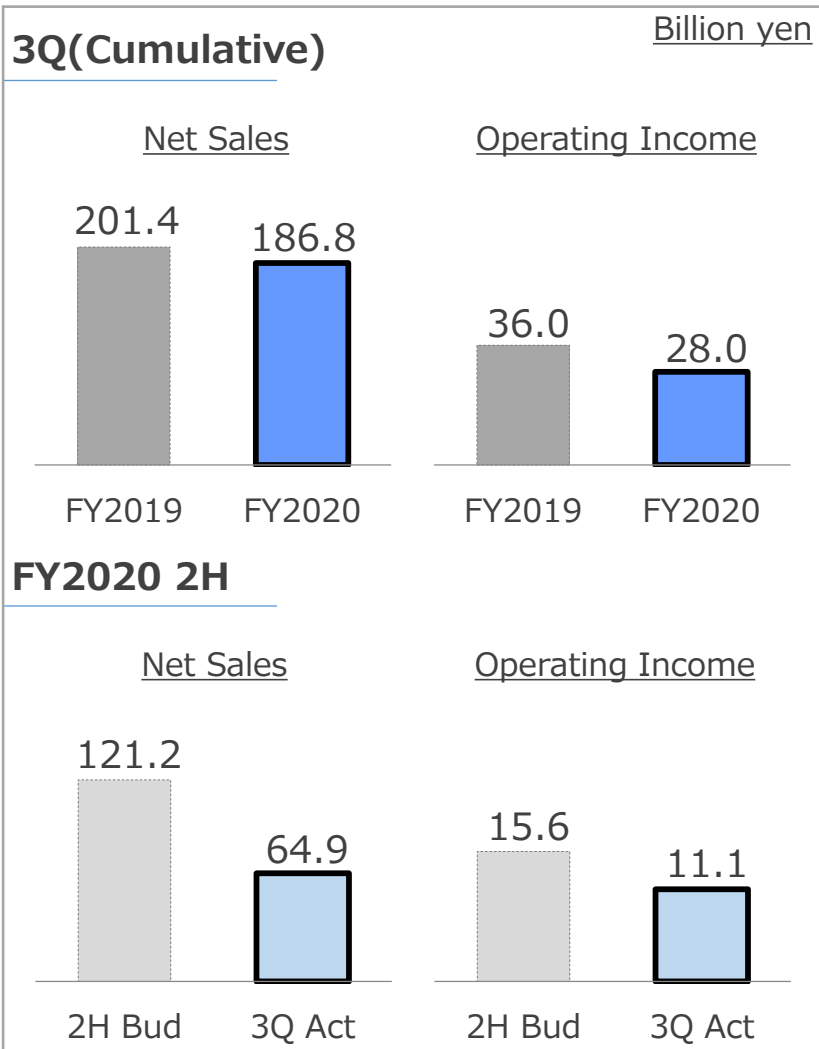
KURARAY CO., LTD.

Overview of FY2020 3Q Results

(Billion yen)

	FY2020 3Q	FY2019 3Q	Difference
Net Sales	393.8	428.9	-35.1 (-8.2%)
Operating Income	32.5	42.3	-9.8 (-23.2%)
Ordinary Income	29.8	37.9	-8.1 (-21.4%)
Net Income*	15.1	19.4	-4.2 (-21.8%)
Reference			
JPY/USD	108	109	
JPY/EUR	121	123	
Domestic naphtha (JPY 1,000/kl)	35	44	

*Net Income Attributable to Owners of the Parent



■ PVA resin

Sales remained weak due to stagnant global demand and a subsequent production adjustment.

■ Optical-use poval film

Due to a recovery in demand especially for large displays, sales remained firm.

■ Water-soluble PVA film <MonoSol>

Sales continued to expand for use in unit dose detergent packets.

■ PVB film

Sales were affected by stagnant demand for construction and automotive applications.

■ EVAL™

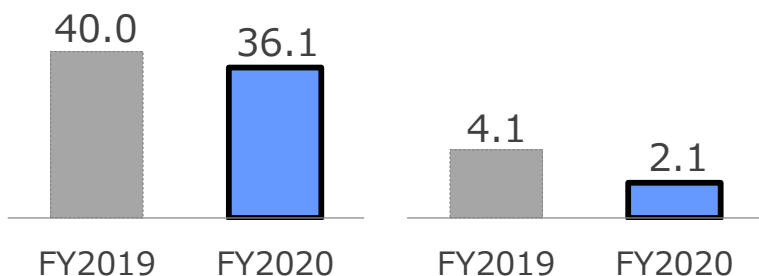
Sales volume increased for food packaging applications due to expanded at-home consumption but sales for gas tank applications fell due to a decline in the number of vehicles produced.

3Q(Cumulative)

Billion yen

Net Sales

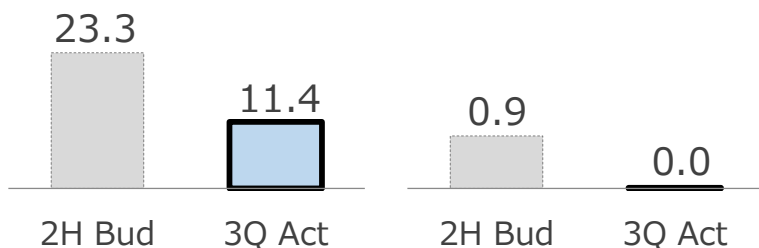
Operating Income



FY2020 2H

Net Sales

Operating Income

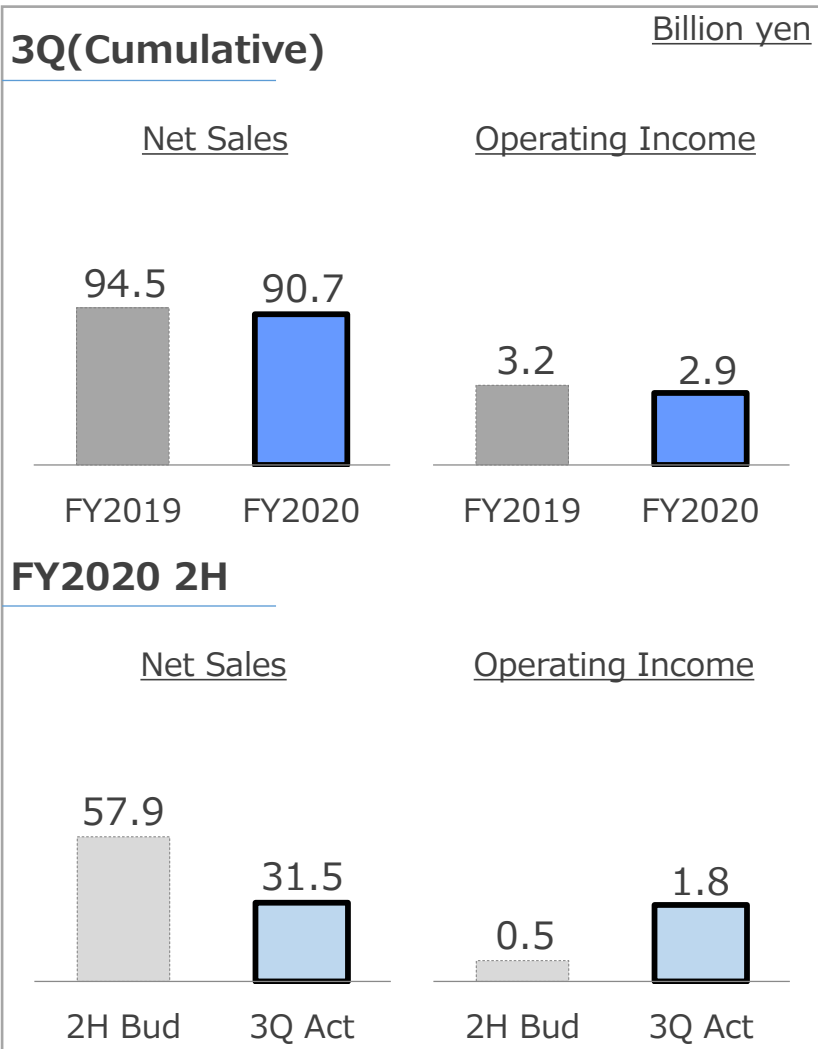


■ Isoprene

Sales of isoprene chemicals and SEPTON™ thermoplastic elastomer were affected by stagnant demand, mainly in China and the rest of Asia.

■ GENESTAR™

Sales of GENESTAR™ heat-resistant polyamide resin remained steady for electric and electronic device applications, sales for automotive applications were affected by the decline in automobile production.



■ Methacrylate

Overall business was affected by rising raw material costs and worsening market conditions despite an increase in sales of spatter-blocking barrier panels and displays.

■ Medical

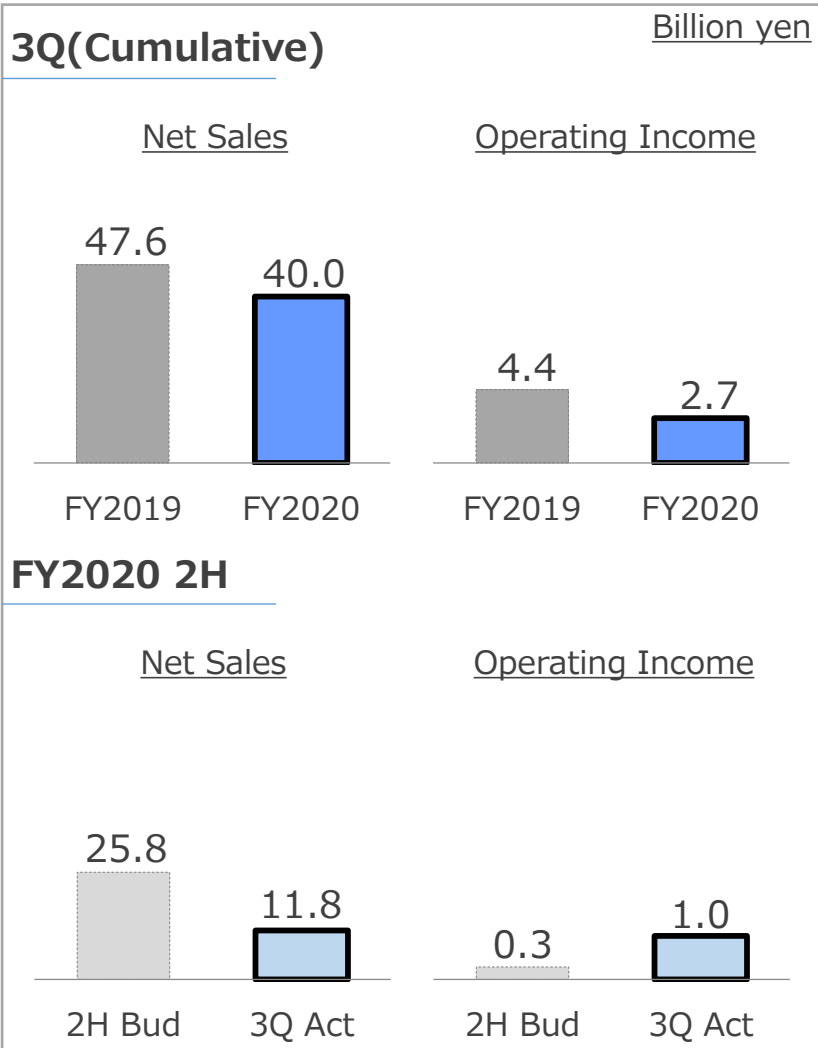
Although dental materials business struggled early on in Europe and U.S. as a result of an increase in the number of closed dental clinics, demand is on track toward a recovery as clinics later reopened.

■ Calgon Carbon & Carbon Materials

Calgon Carbon sales were steady even during COVID-19 as the products underpin people's daily lives. In the Carbon Materials business, sales increased due to growing demand for water treatment applications.

With expanding demand we decided to expand the facilities at the plants of Calgon Carbon.

- U.S. (high-performance activated carbon)
- Belgium (reactivated carbon for industries)



■ CLARINO™

Sales volume decreased due to receding demand in Asia and Europe.

■ Fibers and Industrial Materials

Demand for KURALON™ stagnated and sales volume decreased for cement reinforcement and rubber materials.

■ Consumer Goods and Materials

In consumer goods and materials, sales of KURAFLEX™ were weak as demand for cosmetic and automotive applications stagnated despite an increase in sales for mask-related applications.

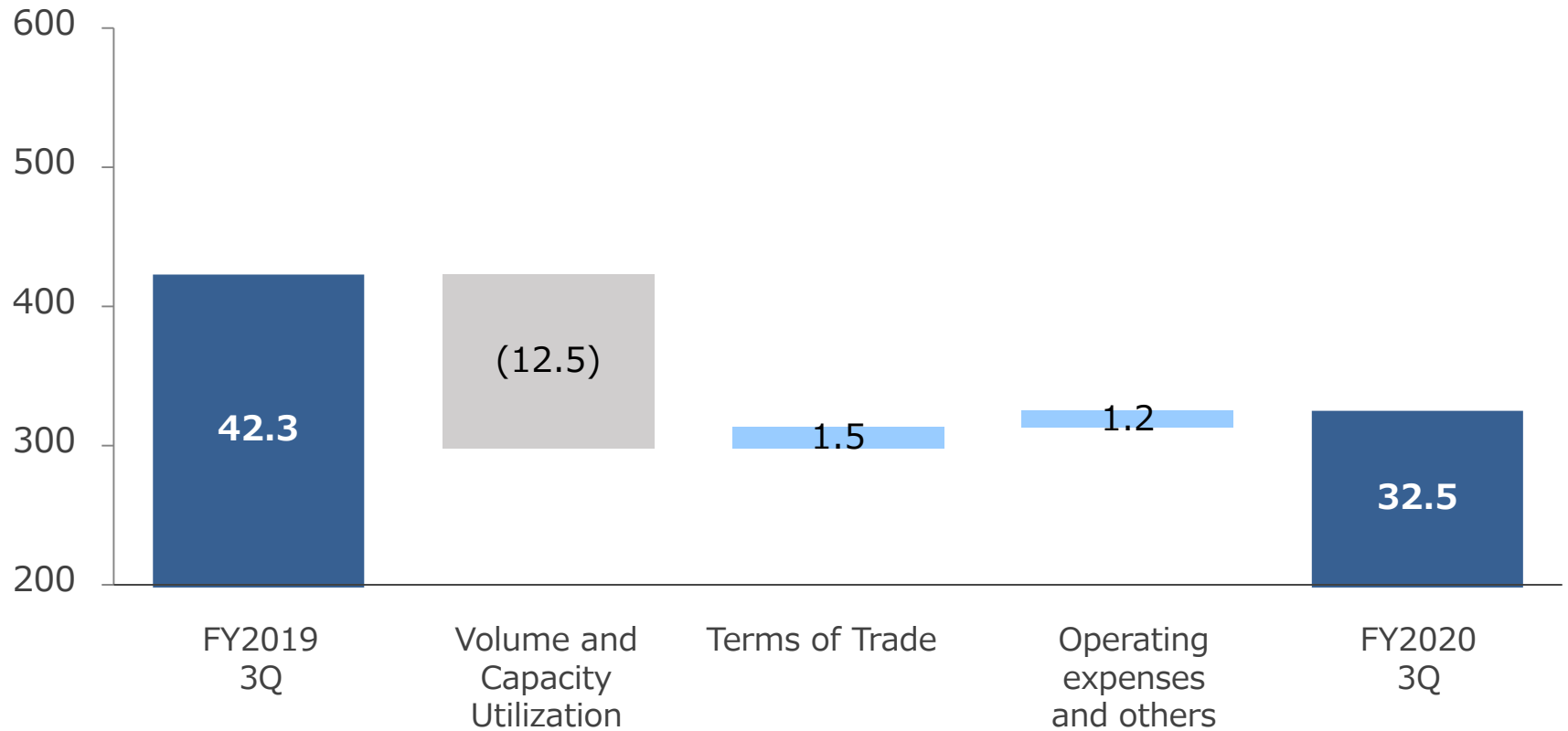
Sales and Operating Income by Segment

(Billion yen)

	FY2020 3Q		FY2019 3Q		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	186.8	28.0	201.4	36.0	(14.7)	(8.0)
Isoprene	36.1	2.1	40.0	4.1	(3.8)	(2.0)
Functional Materials	90.7	2.9	94.5	3.2	(3.9)	(0.3)
Fibers & Textiles	40.0	2.7	47.6	4.4	(7.6)	(1.7)
Trading	89.3	2.8	96.8	3.0	(7.5)	(0.2)
Others	32.1	0.3	38.3	0.6	(6.2)	(0.2)
Elimination & Corporate	(81.2)	(6.4)	(89.7)	(8.9)	8.5	2.6
Total	393.8	32.5	428.9	42.3	(35.1)	(9.8)

Factors Affecting the Change in Operating Income

(Billion yen)



	FY2019 3Q	FY2020 3Q
Domestic naphtha (JPY1,000/kl)	¥44	¥35
USD (average)	¥109	¥108
EUR (average)	¥123	¥121

Balance Sheet [1]: Assets

(Billion yen)

	Sep. 30, 2020	Dec. 31, 2019	Difference
Current Assets	485.1	394.7	90.4
Noncurrent Assets	590.0	596.4	(6.5)
Total Assets	1,075.0	991.1	83.9

Reference: Exchange rates at end of period

	Sep. 30, 2020	Dec. 31, 2019
JPY/USD	106	110
JPY/EUR	124	123

Balance Sheet [2]: Liabilities and Net Assets

(Billion yen)

	Sep. 30, 2020	Dec. 31, 2019	Difference
Current Liabilities	198.1	201.7	(3.5)
Noncurrent Liabilities	348.8	250.9	97.9
Total Liabilities	547.0	452.6	94.4
Net Assets	528.1	538.5	(10.5)
Total Liabilities and Net Assets	1,075.0	991.1	83.9
Equity Ratio	47.7%	53.0%	(5.3%)

Reference: Exchange rates at end of period

	Sep. 30, 2020	Dec. 31, 2019
JPY/USD	106	110
JPY/EUR	124	123

Forecast for FY2020 (vs Original Forecast)

	FY2020 Revised Forecast	FY2020 Original Forecast (August 12, 2020)	Difference	(Reference) FY2019 Actual
Net Sales	520.0	510.0	10.0	575.8
Operating Income	40.0	33.0	7.0	54.2
Ordinary Income	35.0	29.0	6.0	48.3
Net Income*	15.0	13.0	2.0	(2.0)
Reference				
USD (average)	107	106		109
EUR (average)	122	120		122
Domestic naphtha (JPY1,000/kl)	34	31		43

*Net Income Attributable to Owners of the Parent.

【Ref.】 Net Sales and Operating Income by Segment

(Billion yen)

	FY2020 Revised Forecast		FY2020 Original Forecast		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	249.0	37.5	243.0	32.5	6.0	5.0
Isoprene	48.0	3.0	48.0	3.0	0	0
Functional Materials	120.0	3.0	117.0	1.5	3.0	1.5
Fibers & Textiles	52.0	2.0	54.0	2.0	(2.0)	0
Trading	115.0	3.6	115.0	3.6	0	0
Others	41.0	0	38.0	(0.3)	3.0	0.3
Elimination & Corporate	(105.0)	(9.1)	(105.0)	(9.3)	0	0.2
Total	520.0	40.0	510.0	33.0	10.0	7.0

【Ref.】 Net Sales and Operating Income by Segment

(Billion yen)

	FY2020 Revised Forecast		FY2019 Results		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	249.0	37.5	266.1	47.4	(17.1)	(9.9)
Isoprene	48.0	3.0	53.3	4.2	(5.3)	(1.2)
Functional Materials	120.0	3.0	126.0	3.8	(6.0)	(0.8)
Fibers & Textiles	52.0	2.0	64.5	5.7	(12.5)	(3.7)
Trading	115.0	3.6	130.9	4.2	(15.9)	(0.6)
Others	41.0	0	51.1	0.6	(10.1)	(0.6)
Elimination & Corporate	(105.0)	(9.1)	(116.1)	(11.8)	11.1	2.6
Total	520.0	40.0	575.8	54.2	(55.8)	(14.2)

【Ref.】 Net Sales by Segment

(Billion yen)

	FY2020		FY2019		Difference	
	3Q Result	Full-Year Forecast	3Q Result	Full-Year Result	3Q	Full-Year
Vinyl Acetate	186.8	249.0	201.4	266.1	(14.7)	(17.1)
Isoprene	36.1	48.0	40.0	53.3	(3.8)	(5.3)
Functional Materials	90.7	120.0	94.5	126.0	(3.9)	(6.0)
Fibers & Textiles	40.0	52.0	47.6	64.5	(7.6)	(12.5)
Trading	89.3	115.0	96.8	130.9	(7.5)	(15.9)
Others	32.1	41.0	38.3	51.1	(6.2)	(10.1)
Elimination & Corporate	(81.2)	(105.0)	(89.7)	(116.1)	8.5	11.1
Total	393.8	520.0	428.9	575.8	(35.1)	(55.8)

【Ref.】 Operating Income by Segment

(Billion yen)

	FY2020		FY2019		Difference	
	3Q Result	Full-Year Forecast	3Q Result	Full-Year Result	3Q	Full-Year
Vinyl Acetate	28.0	37.5	36.0	47.4	(8.0)	(9.9)
Isoprene	2.1	3.0	4.1	4.2	(2.0)	(1.2)
Functional Materials	2.9	3.0	3.2	3.8	(0.3)	(0.8)
Fibers & Textiles	2.7	2.0	4.4	5.7	(1.7)	(3.7)
Trading	2.8	3.6	3.0	4.2	(0.2)	(0.6)
Others	0.3	0	0.6	0.6	(0.2)	(0.6)
Elimination & Corporate	(6.4)	(9.1)	(8.9)	(11.8)	2.6	2.6
Total	32.5	40.0	42.3	54.2	(9.8)	(14.2)



All figures are rounded to the nearest hundred million yen.

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