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# **FY2025 1H Earnings Presentation (Overview)**

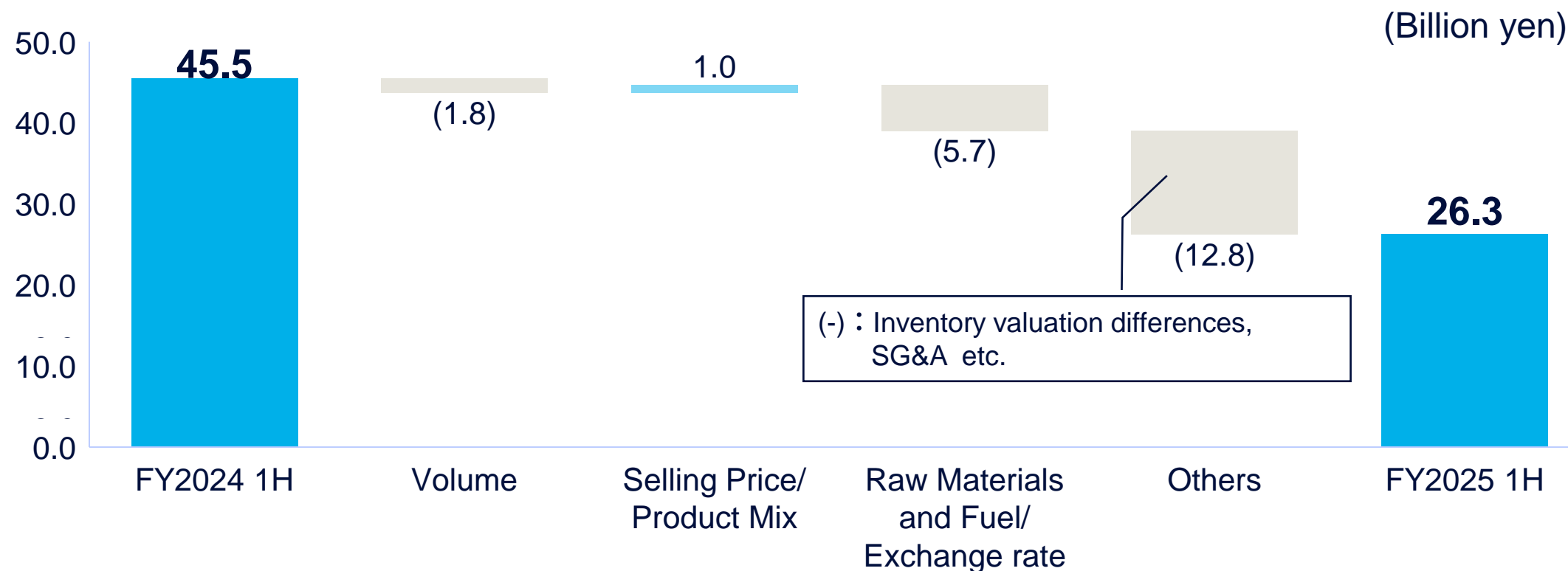
**KURARAY CO., LTD.**

**August 8, 2025**

- Income declined due to negative effects of inventory valuation differences, etc.  
(Billion yen)

	FY2025 1H	FY2024 1H	Difference
<b>Net Sales</b>	<b>400.0</b>	411.2	(11.3)
<b>Operating Income</b>	<b>26.3</b>	45.5	(19.2)
<b>Ordinary Income</b>	<b>21.3</b>	44.0	(22.7)
<b>Net Income Attributable to Owners of the Parent</b>	<b>14.0</b>	30.4	(16.4)
	<b>Reference</b>		
JPY/USD (average)	148	152	
JPY/EUR (average)	162	165	
Domestic naphtha JPY 1,000/kl	71	75	
US natural gas USD/MMBtu	3.69	2.21	
Europe natural gas EUR/MWh	41	30	

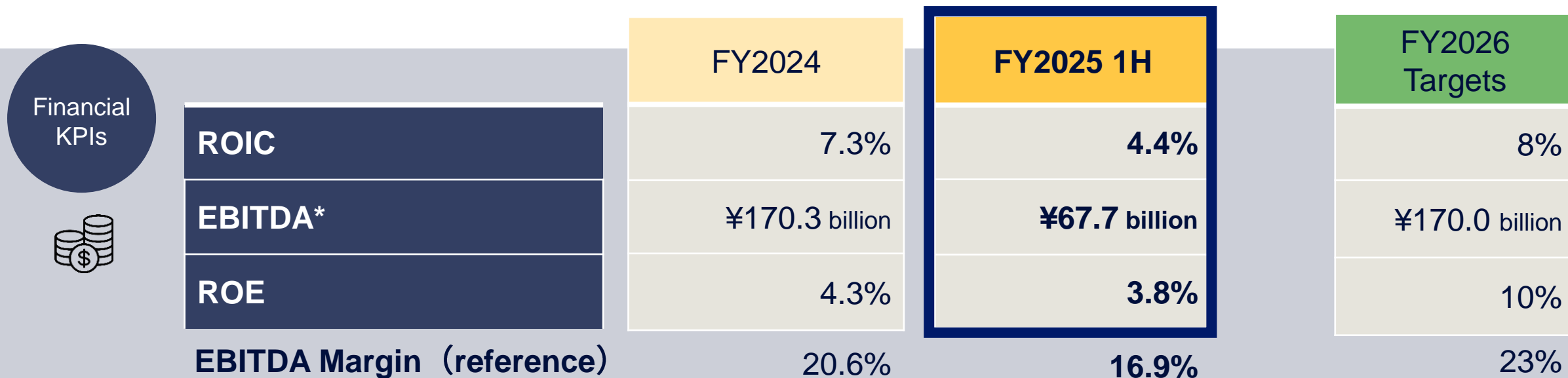
# FY2025 1H Factors Affecting the Change in Operating Income



	FY2024 1H	FY2025 1H
JPY/USD (average)	152	148
JPY/EUR (average)	165	162

	FY2024 1H	FY2025 1H
Domestic naphtha JPY 1,000/kl	75	71
US natural gas USD/MMBtu	2.21	3.69
Europe natural gas EUR/MWh	30	41

- Financial KPI figures deteriorated as income declined.



\*Operating income + depreciation and amortization

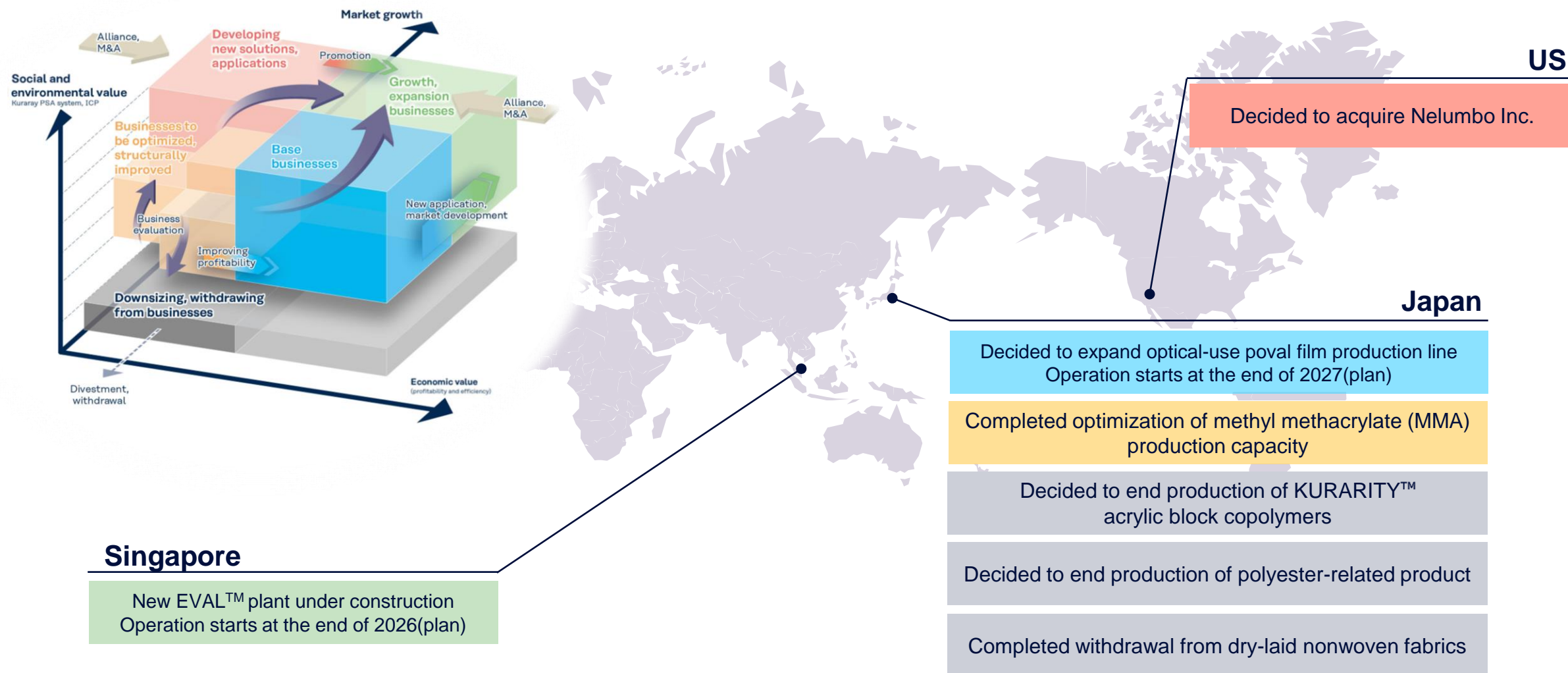
■ Revised full-year forecasts in light of economic environment and business trends

(Billion yen)

	FY2025 Forecast (Aug. 8, 2025)	FY2024	Difference	FY2025 Forecast (Feb. 12, 2025)	Difference
<b>Net Sales</b>	<b>840.0</b>	826.9	13.1	860.0	(20.0)
<b>Operating Income</b>	<b>75.0</b>	85.1	(10.1)	90.0	(15.0)
<b>Ordinary Income</b>	<b>69.0</b>	81.5	(12.5)	85.0	(16.0)
<b>Net Income Attributable to Owners of the Parent</b>	<b>33.0</b>	31.7	1.3	45.0	(12.0)
<u>Reference</u>					
JPY/USD (average)	149	152			
JPY/EUR (average)	166	164			
Domestic naphtha JPY 1,000/kl	68	75			
US natural gas USD/MMBtu	3.55	2.41			
Europe natural gas EUR/MWh	38	34			

# Progress in Building more Sophisticated Business Portfolio

For future growth, decided expansion of optical-use poval film production line and acquisition of Nelumbo Inc.  
Accelerated withdrawal, downsizing, and optimization initiatives, including the termination of production of KURARITY™



■ Dividend forecast remains unchanged. Share buyback (up to ¥30.0 billion) in progress

	<b>Dividend</b> Maintain and increase dividends per share	<b>Share Buybacks</b> Aim for continuous conduct	<b>Total Return Ratio</b> 50% or more
2024	Interim ¥27 Year-end ¥27 Annual ¥54	¥20.0 billion	118.7%
2025 (plan)	Interim ¥27 Year-end ¥27 Annual ¥54	¥30.0 billion*	Approx. 142%

\* Maximum number of shares : Up to 22.0 million shares (Approx. 6.79% of total outstanding shares, excluding treasury stock)  
 Maximum value of buyback : Up to ¥30.0 billion  
 Buyback period : May 15, 2025 to December 15, 2025



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# **FY2025 1H Earnings Presentation (Details)**

KURARAY CO., LTD.

# Net Sales and Operating Income by Segment

**kuraray**

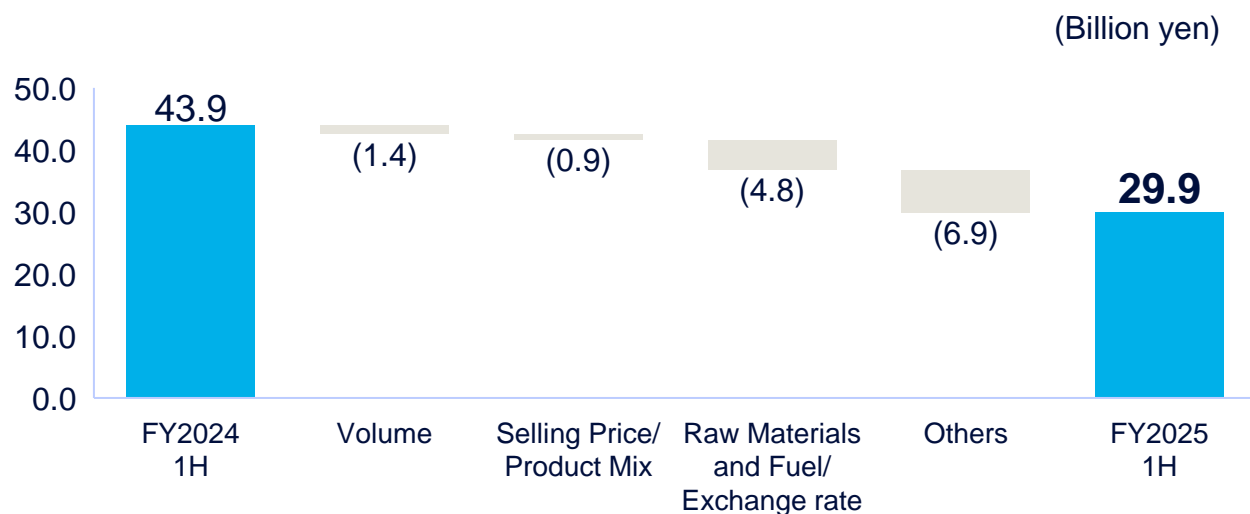
(Billion yen)

	FY2025 1H		FY2024 1H		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	202.9	29.9	208.8	43.9	(6.0)	(14.0)
Isoprene	39.9	(1.3)	37.5	(4.0)	2.4	2.7
Functional Materials	98.1	2.9	102.8	6.5	(4.6)	(3.6)
Fibers & Textiles	29.8	(0.1)	31.2	0.7	(1.5)	(0.8)
Trading	33.9	3.0	32.2	2.7	1.7	0.3
Others	22.1	0.7	25.0	0.9	(2.9)	(0.2)
Elimination & Corporate	(26.8)	(8.9)	(26.4)	(5.2)	(0.4)	(3.7)
<b>Total</b>	<b>400.0</b>	<b>26.3</b>	<b>411.2</b>	<b>45.5</b>	<b>(11.3)</b>	<b>(19.2)</b>

(Billion yen)

	FY2024 1H	FY2025 1H	Difference
Net Sales	208.8	<b>202.9</b>	(6.0)
Operating Income	43.9	<b>29.9</b>	(14.0)

## 【Factors Affecting the Change in Operating Income】



### PVOH resin

Sales volume decreased due to weakened demand, especially in Europe and the United States, and due to the dissipation of the special demand that arose in the previous year to work around logistics disruptions to Europe. There were also negative effects from inventory valuation differences and rising raw material and fuel prices.

### Optical-use poval film

Although sales remained firm on the back of Chinese government measures to support home appliance replacement, inventory valuation differences had a negative impact on results.

### Advanced Interlayer Solutions

Although sales of SentryGlas™ remained favorable, especially in the Americas, the competitive environment for PVB film has intensified, particularly in Asia. As a result, sales volume decreased for both construction and automotive applications.

### Water-soluble PVOH film MonoSol

Sales volume increased amid a slight recovery in demand for soluble-unit-dose detergent.

### EVAL™

Although sales volume for food packaging applications did not increase as much as expected, business performance remained favorable, especially in Europe and the U.S., with automotive applications holding steady, resulting in an increase in the overall sales volume. Profit, however, was negatively affected in part by inventory valuation differences and rising raw material and fuel prices.

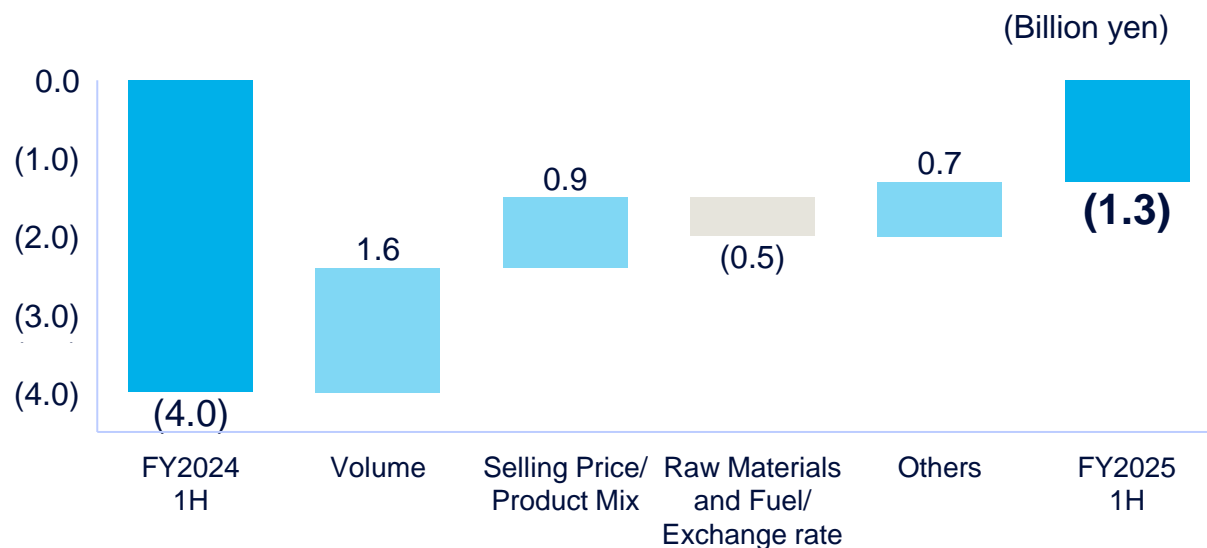
### Main reason of increase/Decrease

Sales volume did not increase as much as expected due to the European economic stagnation and other factors, and overall segment income decreased due to the negative impact of inventory valuation differences and higher raw material and fuel prices.

(Billion yen)

	FY2024 1H	FY2025 1H	Difference
Net Sales	37.5	39.9	2.4
Operating Income	(4.0)	(1.3)	2.7

## 【Factors Affecting the Change in Operating Income】



### Isoprene Chemicals and Elastomers

Sales volume increased and sales mix improved as demand remained firm, especially in Europe and the U.S.

### GENESTAR™

Sales volume increased due to a robust recovery in demand for electric and electronic applications as well as expanded sales for automotive applications.

### Main reason of increase/Decrease

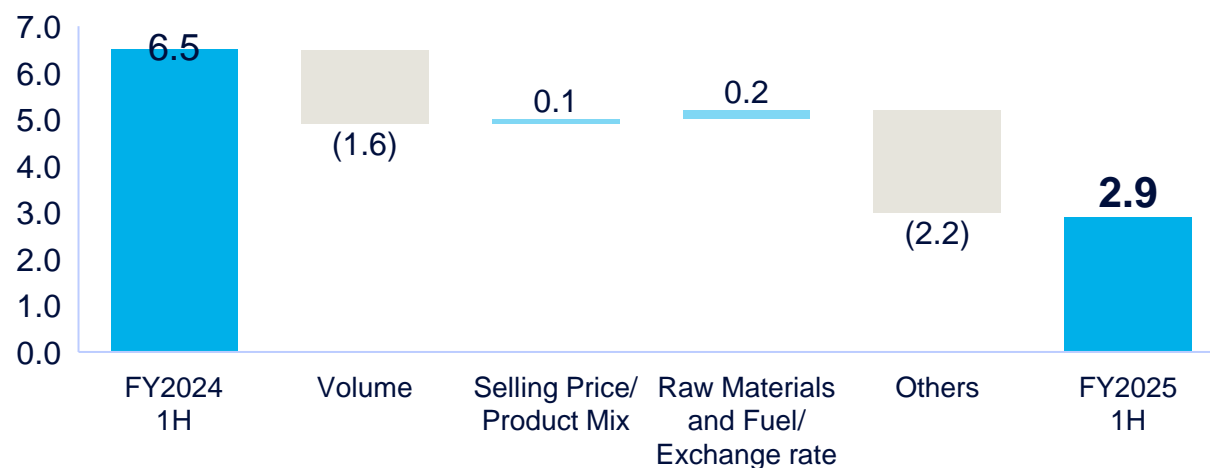
Overall segment income increased thanks to the stabilization of operations at the Thai base, which was also leveraged to contribute to sales expansion.

(Billion yen)

	FY2024 1H	FY2025 1H	Difference
Net Sales	102.8	<b>98.1</b>	(4.6)
Operating Income	6.5	<b>2.9</b>	(3.6)

## 【Factors Affecting the Change in Operating Income】

(Billion yen)

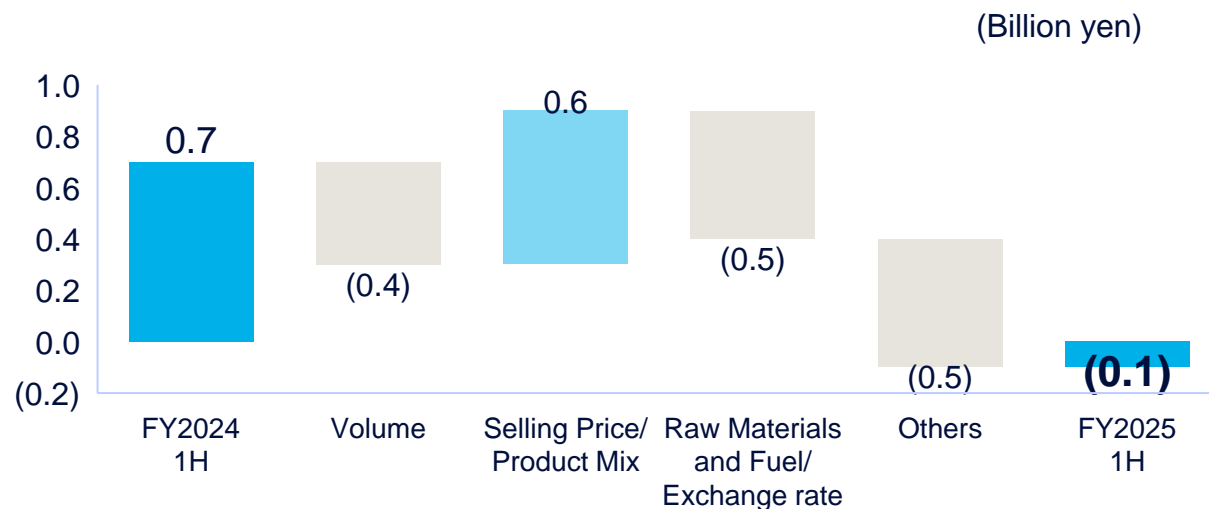


<b>Methacrylate</b>	Sales volume fell due to temporary production difficulties.
<b>Medical</b>	Sales of cosmetic dental materials, mainly in Europe and the U.S., remained brisk. We continued strengthening marketing aimed at expanding sales.
<b>Environmental Solutions</b>	Although demand in North America remained stable, product deliveries were postponed to the Q3 or later due to delays in capital investment by some customers. In addition, demand for industrial activated carbon remained weak in Europe, and the diatomite and perlite business were transferred in December 2024, resulting in a decrease in sales. Profit was negatively impacted by a cold wave and production difficulties in the U.S.
<b>Main reason of increase/Decrease</b>	Income for the segment decreased due in part to the negative effects of a cold wave in the U.S. and production difficulties.

(Billion yen)

	FY2024 1H	FY2025 1H	Difference
Net Sales	31.2	<b>29.8</b>	(1.5)
Operating Income	0.7	<b>(0.1)</b>	(0.8)

## 【Factors Affecting the Change in Operating Income】



### CLARINO™

Sales volume decreased amid a decline in demand for luxury and automotive applications due in part to the effects of inventory adjustments in the EVs, stagnant demand in the European market, and slowing growth in the Chinese economy.

### Fibers and Industrial Materials

Sales in Europe for construction material applications remained weak. There were also negative effects from inventory valuation differences.

### Main reason of increase/Decrease

Overall segment income decreased due in part to stagnation in European economies and inventory adjustments of EVs.

(Billion yen)

	FY2025 1H	FY2024 1H	Difference
<b>Operating CF</b>	<b>42.2</b>	63.7	(21.5)
<b>Investing CF*</b>	<b>(49.1)</b>	(35.8)	(13.3)
<b>Free CF*</b>	<b>(7.0)</b>	27.9	(34.8)
<b>CAPEX</b> (acceptance basis)	<b>45.3</b>	34.9	10.4
<b>Depreciation and Amortization</b> (incl. amortization of goodwill)	<b>41.4</b>	41.8	(0.4)
<b>R&amp;D Expenses</b>	<b>13.7</b>	12.3	1.4

\*Cash flows from investing activities and free cash flow exclude net cash used in fund management and M&A.

(Billion yen)

	Jun. 30, 2025	Dec. 31, 2024	Difference
<b>Current Assets</b>	<b>559.4</b>	565.3	(5.9)
<b>Non-current Assets</b>	<b>697.6</b>	726.0	(28.4)
<b>Total Assets</b>	<b>1,257.0</b>	1,291.2	(34.3)

	Jun. 30, 2025	Dec. 31, 2024
JPY/USD (end of period)	145	158
JPY/EUR (end of period)	170	165

# Balance Sheet [2]: Liabilities and Net Assets

**kuraray**

(Billion yen)

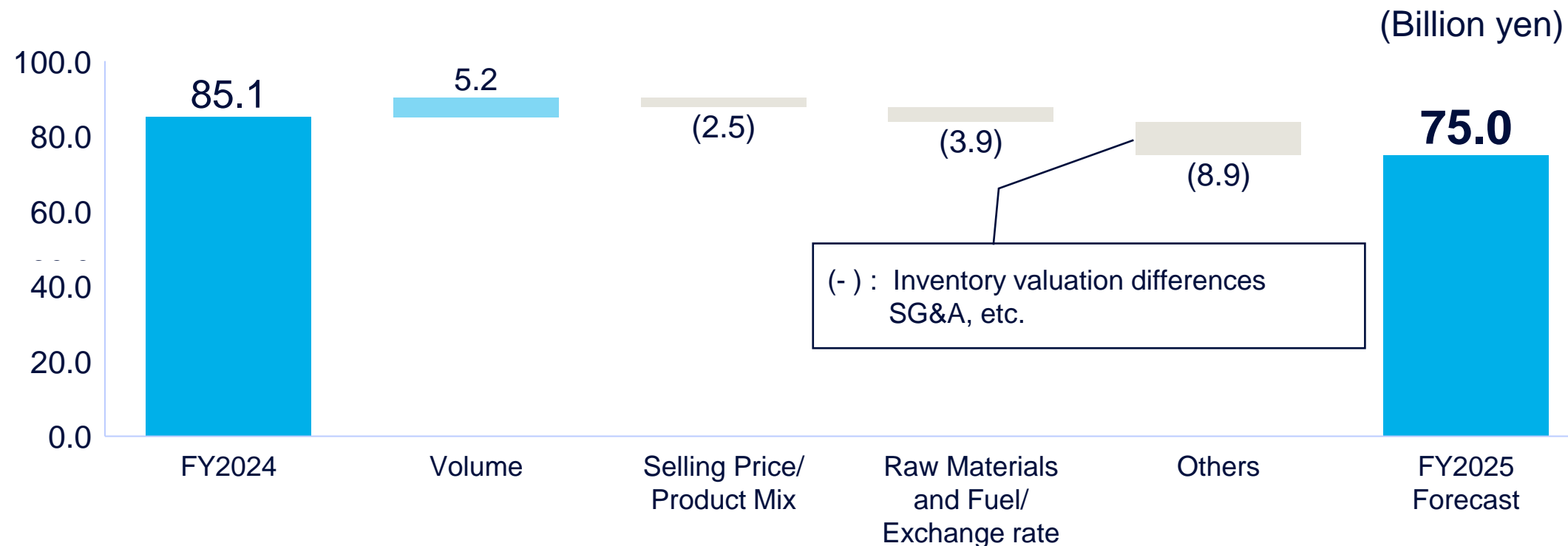
	Jun. 30, 2025	Dec. 31, 2024	Difference
<b>Current Liabilities</b>	<b>229.1</b>	198.2	30.8
<b>Non-current Liabilities</b>	<b>281.3</b>	311.2	(30.0)
<b>Total Liabilities</b>	<b>510.3</b>	509.4	0.9
<b>Net Assets</b>	<b>746.6</b>	781.8	(35.2)
<b>Total Liabilities and Net Assets</b>	<b>1,257.0</b>	1,291.2	(34.3)
<b>Equity Ratio</b>	<b>58.1%</b>	59.2%	(1.1)%
	Jun. 30, 2025	Dec. 31, 2024	
JPY/USD (end of period)	145	158	
JPY/EUR (end of period)	170	165	

# FY2025 Forecasts and Key Data

(Billion yen)

	FY2025 Forecast (Aug 8, 2025)	FY2024	Difference
<b>Net Sales</b>	<b>840.0</b>	826.9	13.1
<b>Operating Income</b>	<b>75.0</b>	85.1	(10.1)
<b>Ordinary Income</b>	<b>69.0</b>	81.5	(12.5)
Net Income Attributable to Owners of the Parent	<b>33.0</b>	31.7	1.3
<b>EPS</b>	<b>¥103.33</b>	¥96.33	¥7
<b>Dividends per share</b>	<b>¥54</b>	¥54	¥0
<b>CAPEX(decision basis)</b>	<b>120.0</b>	128.7	(8.7)
<b>CAPEX(acceptance basis)</b>	<b>100.0</b>	84.3	15.7
Depreciation and Amortization (incl. amortization of goodwill)	<b>84.0</b>	85.3	(1.3)
<b>R&amp;D Expenses</b>	<b>27.0</b>	25.7	1.3

# FY2025 Factors Affecting the Change in Operating Income (vs. FY2024)



	FY2024	FY2025 assumption
JPY/USD (average)	152	149
JPY/EUR (average)	164	166

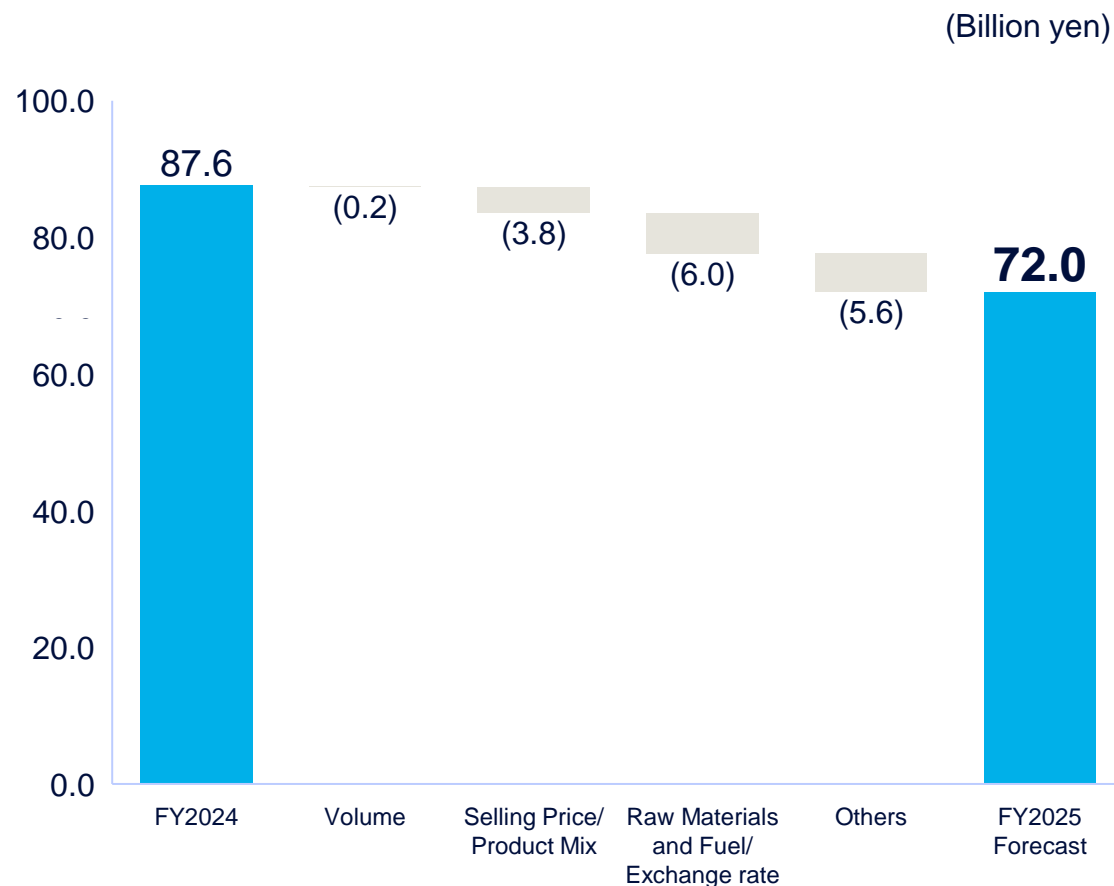
	FY2024	FY2025 assumption
Domestic naphtha JPY 1,000/kl	75	68
US natural gas USD/MMBtu	2.41	3.55
Europe natural gas EUR/MWh	34	38

# Net Sales and Operating Income by Segment

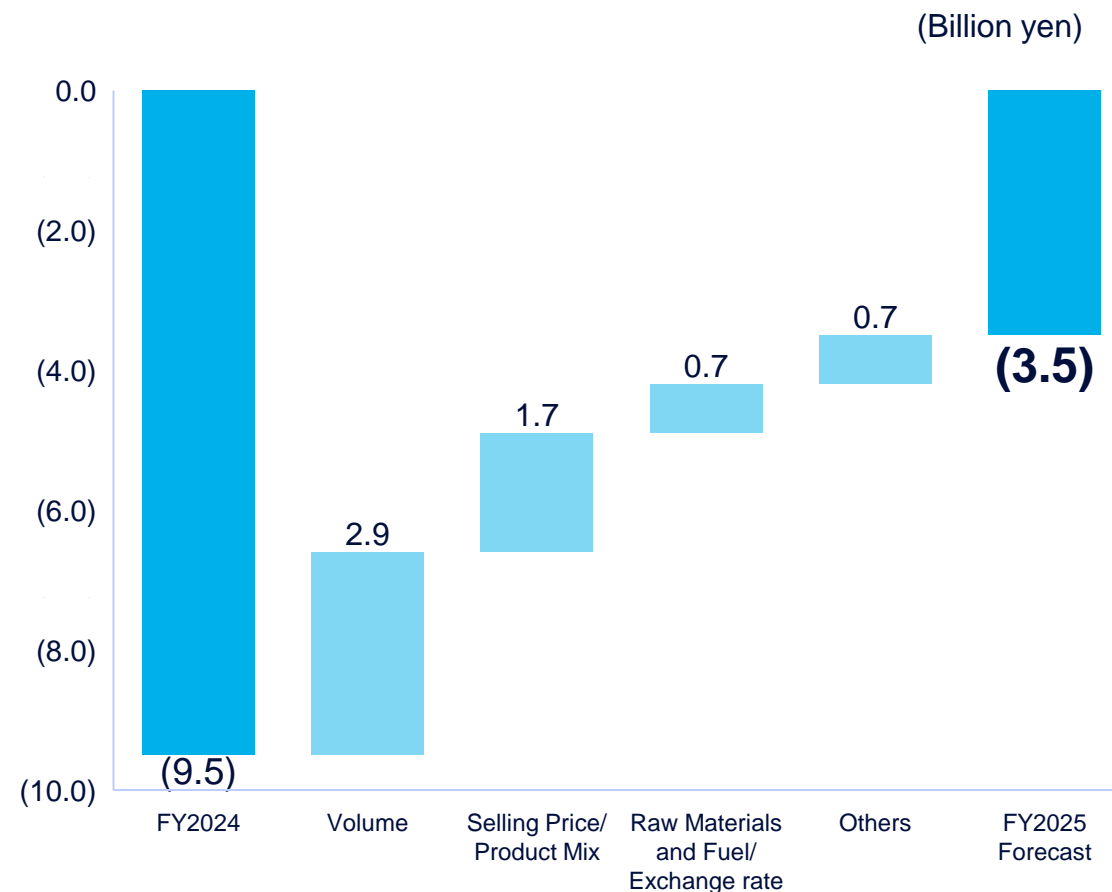
(Billion yen)

	FY2025 Forecast (Aug. 8, 2025)		FY2024		Difference		FY2025 Forecast (Feb. 12, 2025)		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	72.0	414.9	87.6	5.1	(15.6)	428.0	81.0	(8.0)	(9.0)
Isoprene	84.0	(3.5)	76.4	(9.5)	7.6	6.0	85.0	(4.5)	(1.0)	1.0
Functional Materials	216.0	15.0	208.0	12.9	8.0	2.1	221.0	19.0	(5.0)	(4.0)
Fibers & Textiles	63.0	2.0	62.7	1.2	0.3	0.8	65.0	2.0	(2.0)	0.0
Trading	70.0	6.5	67.6	5.9	2.4	0.6	70.0	6.5	0.0	0.0
Others	42.5	0.0	50.9	2.3	(8.4)	(2.3)	43.0	2.0	(0.5)	(2.0)
Elimination & Corporate	(55.5)	(17.0)	(53.5)	(15.4)	(2.0)	(1.6)	(52.0)	(16.0)	(3.5)	(1.0)
<b>Total</b>	<b>840.0</b>	<b>75.0</b>	826.9	85.1	13.1	(10.1)	860.0	90.0	(20.0)	(15.0)

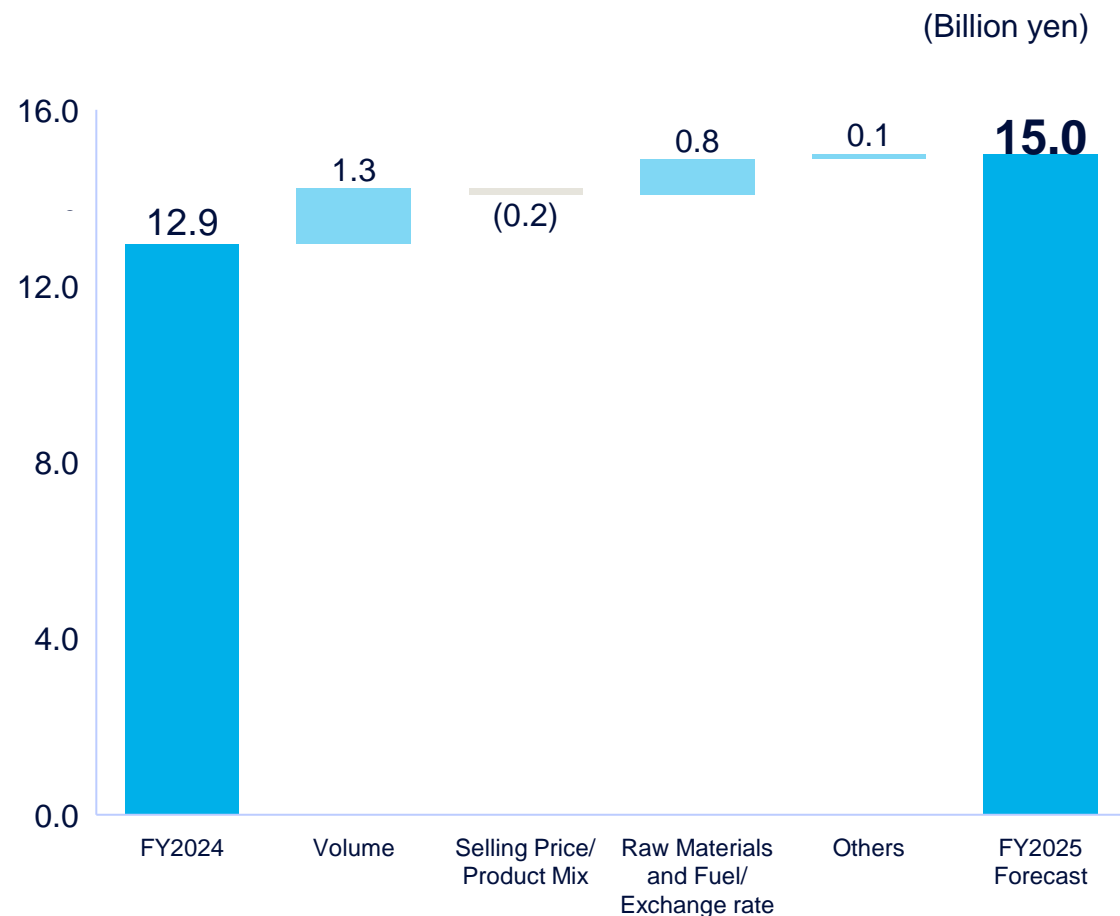
## Vinyl Acetate



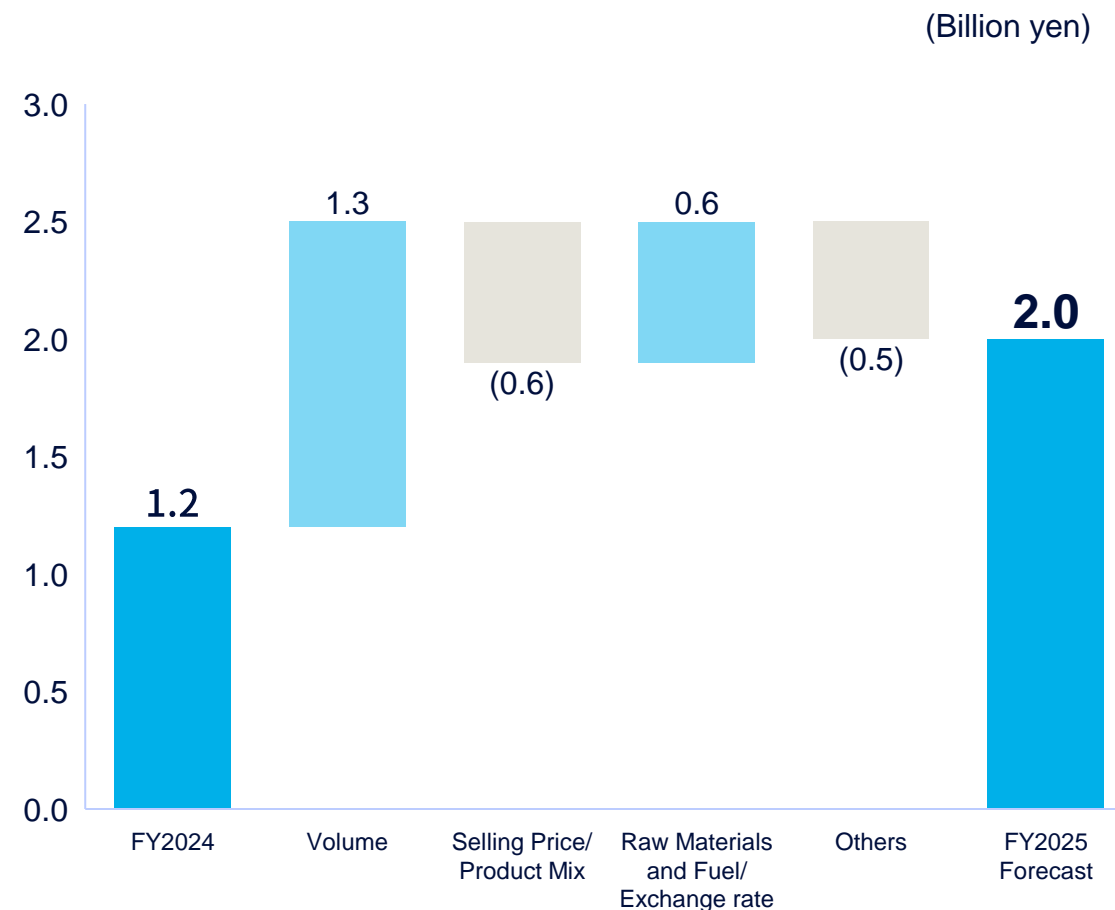
## Isoprene



## Functional Materials



## Fibers & Textiles



(Billion yen)

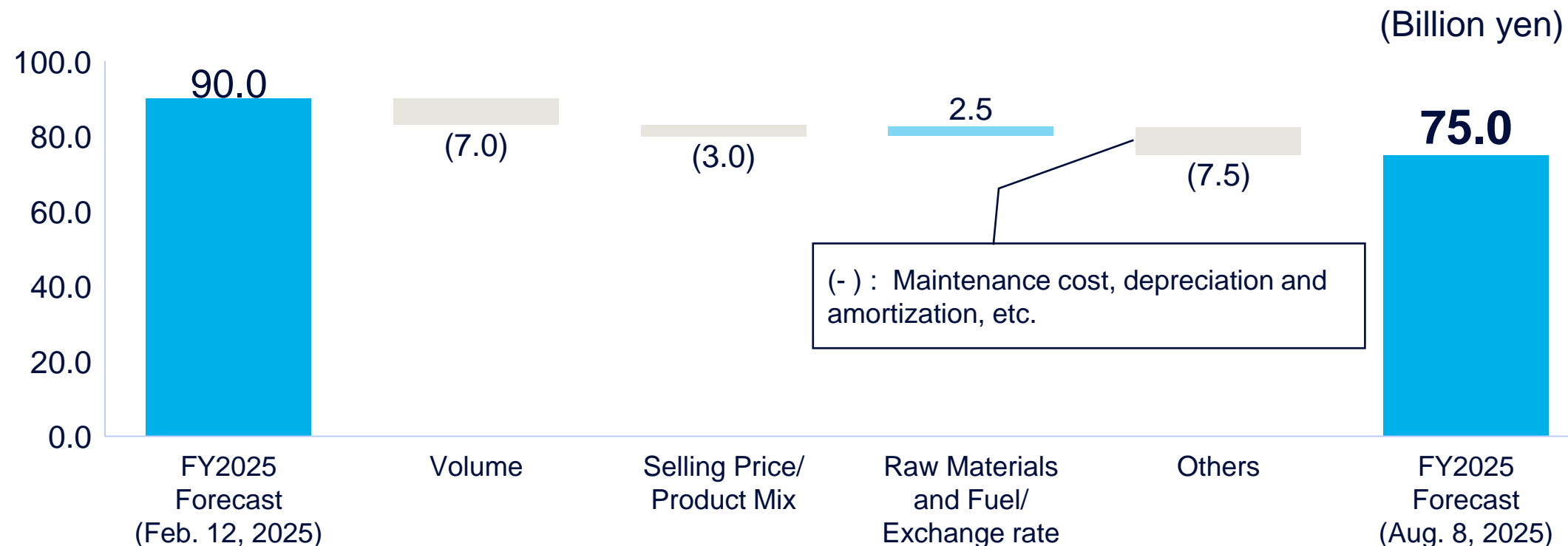
	FY2025 Forecast (Aug. 8, 2025)			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net Sales	400.0	440.0	840.0	411.2	415.7	826.9	(11.3)	24.4	13.1
Operating Income	26.3	48.7	75.0	45.5	39.6	85.1	(19.2)	9.1	(10.1)
Ordinary Income	21.3	47.7	69.0	44.0	37.5	81.5	(22.7)	10.3	(12.5)
Net Income Attributable to Owners of the Parent	14.0	19.0	33.0	30.4	1.3	31.7	(16.4)	17.7	1.3

(Billion yen)

	FY2025 Forecast (Aug. 8, 2025)			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	202.9	217.1	420.0	208.8	206.1	414.9	(6.0)	11.0	5.1
Isoprene	39.9	44.1	84.0	37.5	38.8	76.4	2.4	5.2	7.6
Functional Materials	98.1	117.9	216.0	102.8	105.2	208.0	(4.6)	12.6	8.0
Fibers & Textiles	29.8	33.2	63.0	31.2	31.4	62.7	(1.5)	1.8	0.3
Trading	33.9	36.1	70.0	32.2	35.4	67.6	1.7	0.7	2.4
Others	22.1	20.4	42.5	25.0	25.9	50.9	(2.9)	(5.5)	(8.4)
Elimination & Corporate	(26.8)	(28.7)	(55.5)	(26.4)	(27.1)	(53.5)	(0.4)	(1.6)	(2.0)
<b>Total</b>	<b>400.0</b>	<b>440.0</b>	<b>840.0</b>	<b>411.2</b>	<b>415.7</b>	<b>826.9</b>	<b>(11.3)</b>	<b>24.4</b>	<b>13.1</b>

(Billion yen)

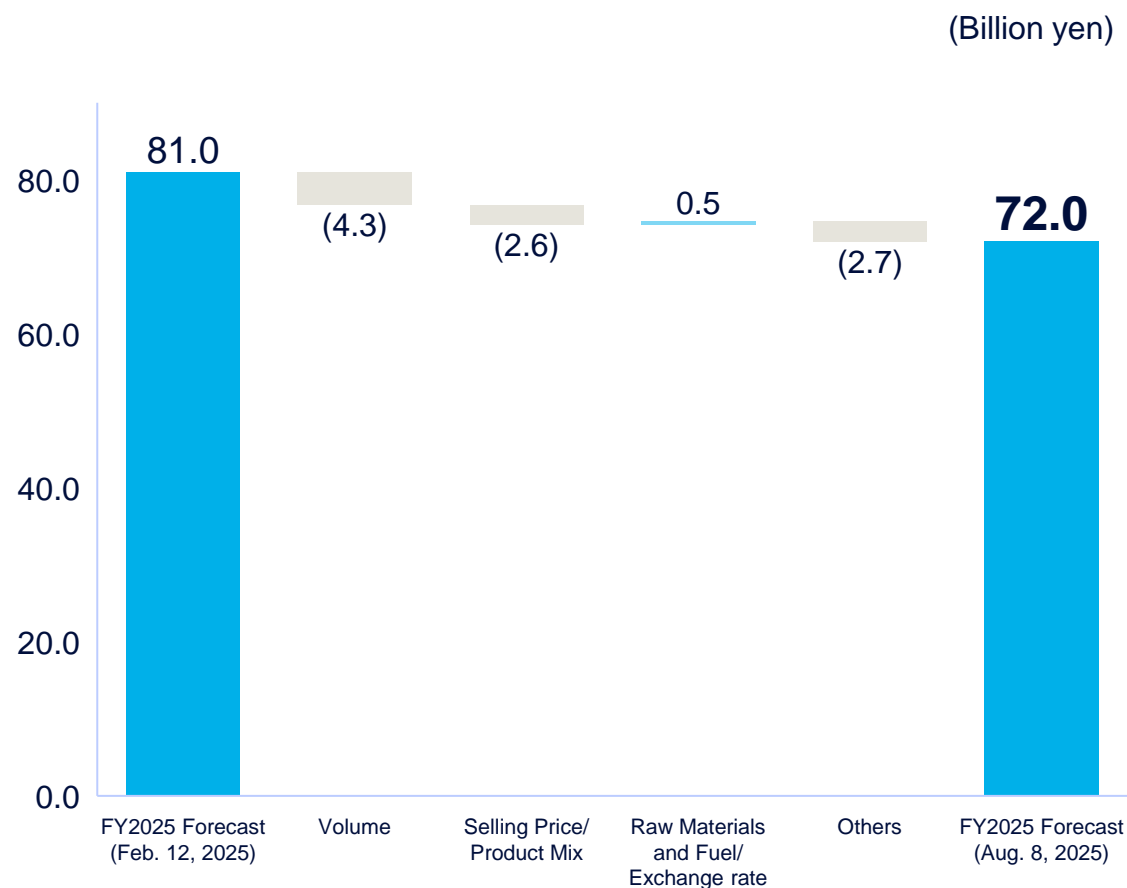
	FY2025 Forecast (Aug. 8, 2025)			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	29.9	42.1	72.0	43.9	43.7	87.6	(14.0)	(1.6)	(15.6)
Isoprene	(1.3)	(2.2)	(3.5)	(4.0)	(5.5)	(9.5)	2.7	3.3	6.0
Functional Materials	2.9	12.1	15.0	6.5	6.5	12.9	(3.6)	5.6	2.1
Fibers & Textiles	(0.1)	2.1	2.0	0.7	0.5	1.2	(0.8)	1.6	0.8
Trading	3.0	3.5	6.5	2.7	3.2	5.9	0.3	0.3	0.6
Others	0.7	(0.7)	0.0	0.9	1.4	2.3	(0.2)	(2.1)	(2.3)
Elimination & Corporate	(8.9)	(8.1)	(17.0)	(5.2)	(10.2)	(15.4)	(3.7)	2.1	(1.6)
<b>Total</b>	<b>26.3</b>	<b>48.7</b>	<b>75.0</b>	<b>45.5</b>	<b>39.6</b>	<b>85.1</b>	<b>(19.2)</b>	<b>9.1</b>	<b>(10.1)</b>



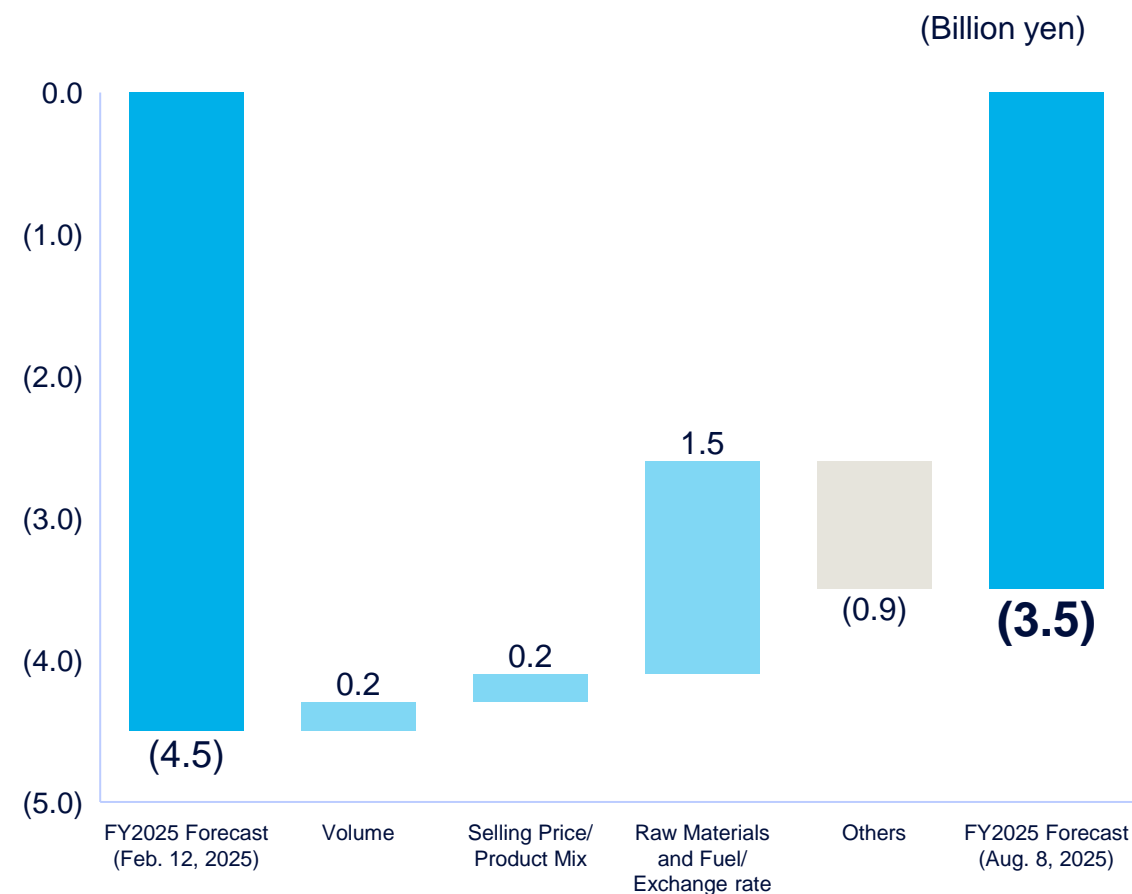
	FY2025 Forecast (Feb. 12, 2025)	FY2025 Forecast (Aug. 8, 2025)
JPY/USD (average)	155	149
JPY/EUR (average)	160	166

	FY2025 Forecast (Feb. 12, 2025)	FY2025 Forecast (Aug. 8, 2025)
Domestic naphtha JPY 1,000/kl	75	68
US natural gas USD/MMBtu	2.75	3.55
Europe natural gas EUR/MWh	40	38

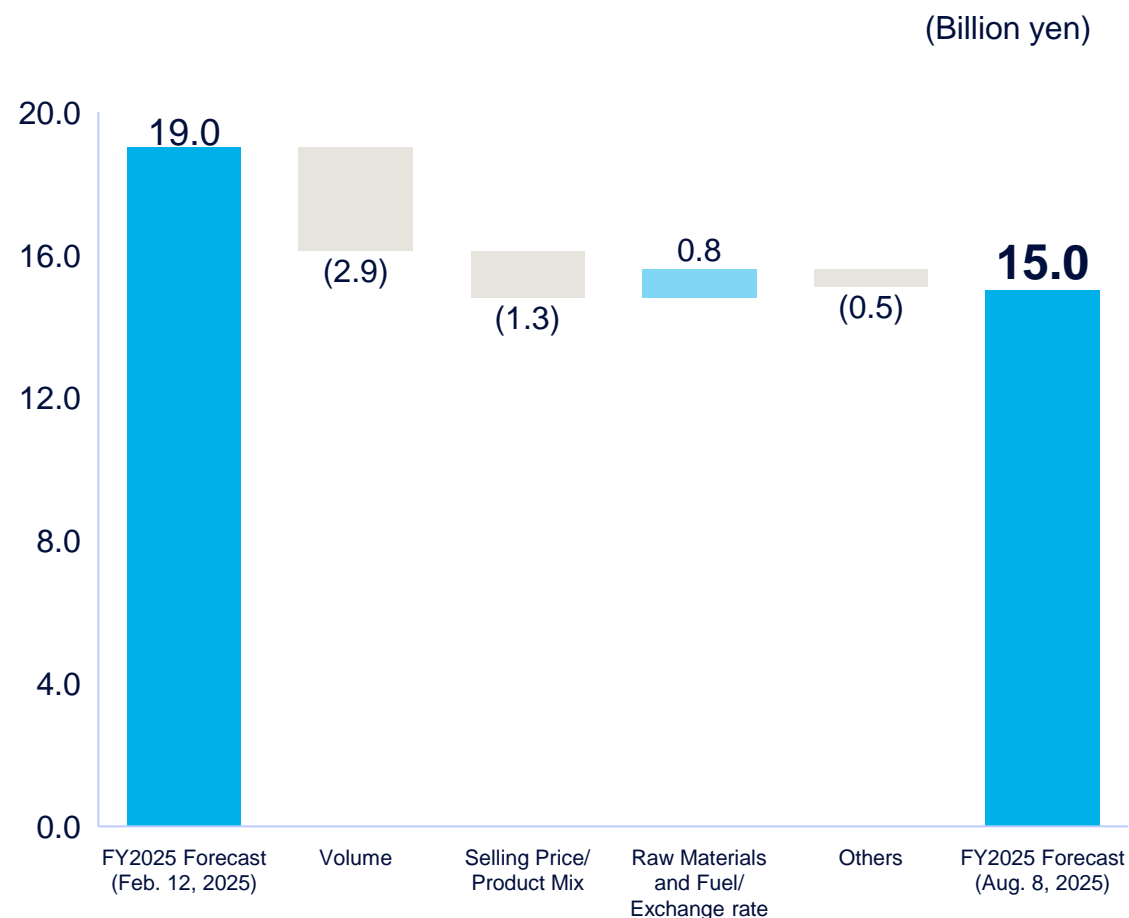
## Vinyl Acetate



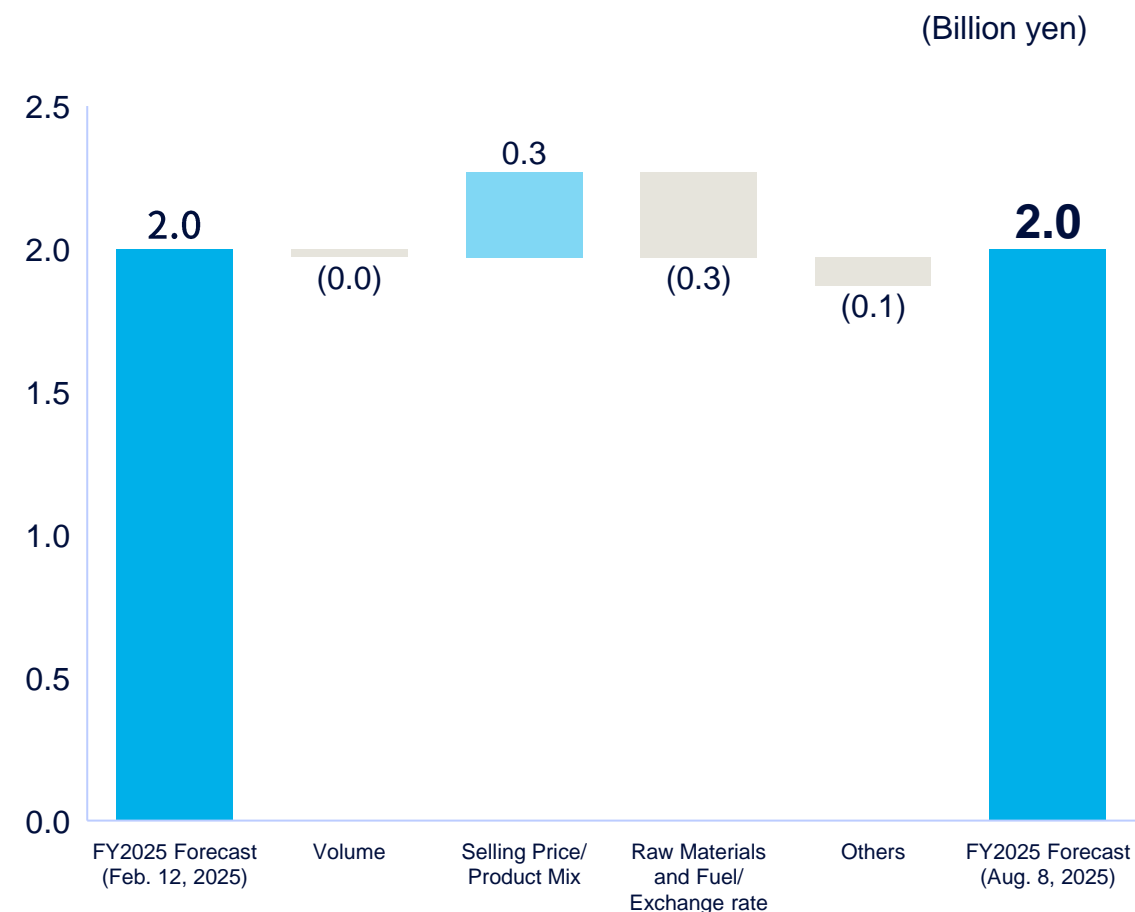
## Isoprene



## Functional Materials



## Fibers & Textiles



# 【Ref.】 Quarterly Net Sales by Segments

**kuraray**

(Billion yen)

	FY2024					FY2025		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	1H
Vinyl Acetate	99.0	109.8	106.7	99.4	414.9	100.4	102.5	202.9
Isoprene	17.2	20.4	18.5	20.3	76.4	19.7	20.3	39.9
Functional Materials	48.7	54.0	49.6	55.7	208.0	47.6	50.5	98.1
Fibers & Textiles	13.8	17.4	15.0	16.5	62.7	13.4	16.3	29.8
Trading	15.3	16.9	16.0	19.4	67.6	16.7	17.2	33.9
Others	11.7	13.3	12.1	13.8	50.9	11.1	11.0	22.1
Elimination & Corporate	(13.6)	(12.8)	(14.2)	(12.9)	(53.5)	(14.1)	(12.7)	(26.8)
<b>Total</b>	192.2	219.0	203.6	212.1	826.9	194.8	205.2	400.0

# 【Ref.】 Quarterly Operating Income by Segments

**kuraray**

(Billion yen)

	FY2024					FY2025		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	1H
<b>Vinyl Acetate</b>	24.8	19.1	26.7	17.0	87.6	15.9	14.0	29.9
<b>Isoprene</b>	0.0	(4.0)	(1.5)	(3.9)	(9.5)	2.8	(4.1)	(1.3)
<b>Functional Materials</b>	3.2	3.2	2.8	3.6	12.9	2.0	0.9	2.9
<b>Fibers &amp; Textiles</b>	(0.2)	1.0	1.5	(1.0)	1.2	(0.6)	0.5	(0.1)
<b>Trading</b>	1.3	1.4	1.4	1.8	5.9	1.4	1.7	3.0
<b>Others</b>	0.4	0.5	1.0	0.4	2.3	0.1	0.6	0.7
<b>Elimination &amp; Corporate</b>	(0.8)	(4.5)	(3.3)	(6.8)	(15.4)	(3.0)	(5.9)	(8.9)
<b>Total</b>	28.8	16.7	28.5	11.2	85.1	18.7	7.6	26.3

# **kuraray**

## **Possible starts here**

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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.