

FY2021 3Q Earnings Presentation (Overview)

KURARAY CO., LTD.

Overview of FY2021 3Q Results

(Billion yen)

	FY2021 3Q	FY2020 3Q	Difference
Net Sales	459.2	393.8	65.4(16.6%)
Operating Income	54.3	32.5	21.8(67.0%)
Ordinary Income	51.0	29.8	21.2(71.0%)
Net Income*	28.6	15.1	13.5(88.8%)
Reference			
JPY/USD	109	108	
JPY/EUR	130	121	
Domestic naphtha (JPY 1,000/kl)	44	35	

Net Sales and Operating Income by Segment

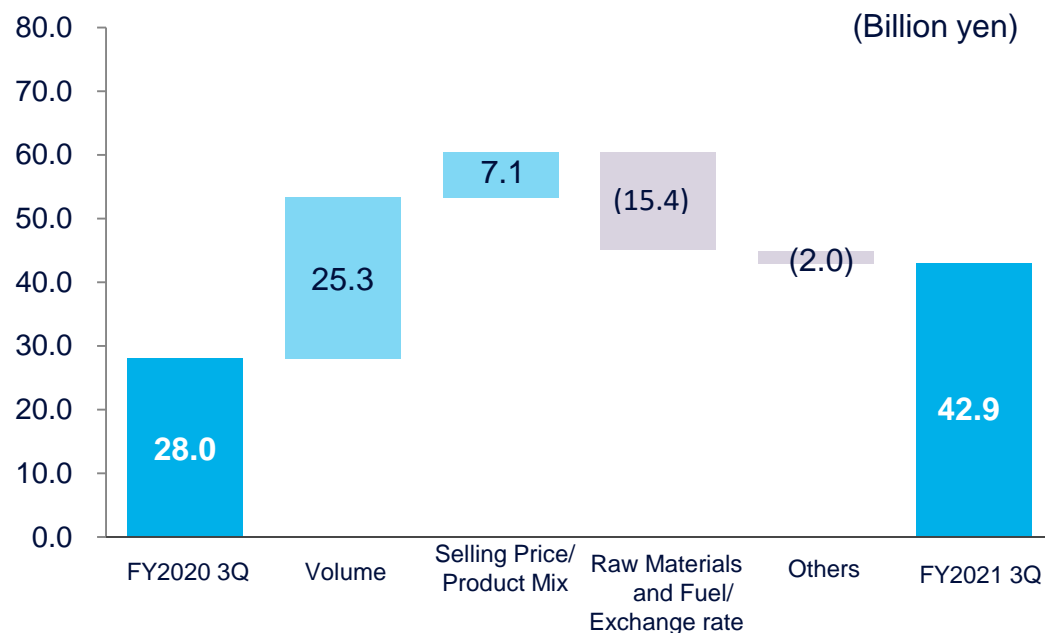
(Billion yen)

	FY2021 3Q Result		FY2020 3Q Result		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	224.9	42.9	186.8	28.0	38.1	14.9
Isoprene	45.5	4.7	36.1	2.1	9.3	2.6
Functional Materials	99.7	5.3	90.7	2.9	9.0	2.4
Fibers & Textiles	44.8	4.3	40.0	2.7	4.8	1.6
Trading	105.3	3.6	89.3	2.8	16.0	0.8
Others	33.8	0.6	32.1	0.3	1.8	0.3
Elimination & Corporate	(94.8)	(7.2)	(81.2)	(6.4)	(13.6)	(0.8)
Total	459.2	54.3	393.8	32.5	65.4	21.8

Factors Affecting the Change in Operating Income (Vinyl Acetate)

(Billion yen)

	FY2020 3Q	FY2021 3Q	Difference
Net Sales	186.8	224.9	38.1
Operating Income	28.0	42.9	14.9



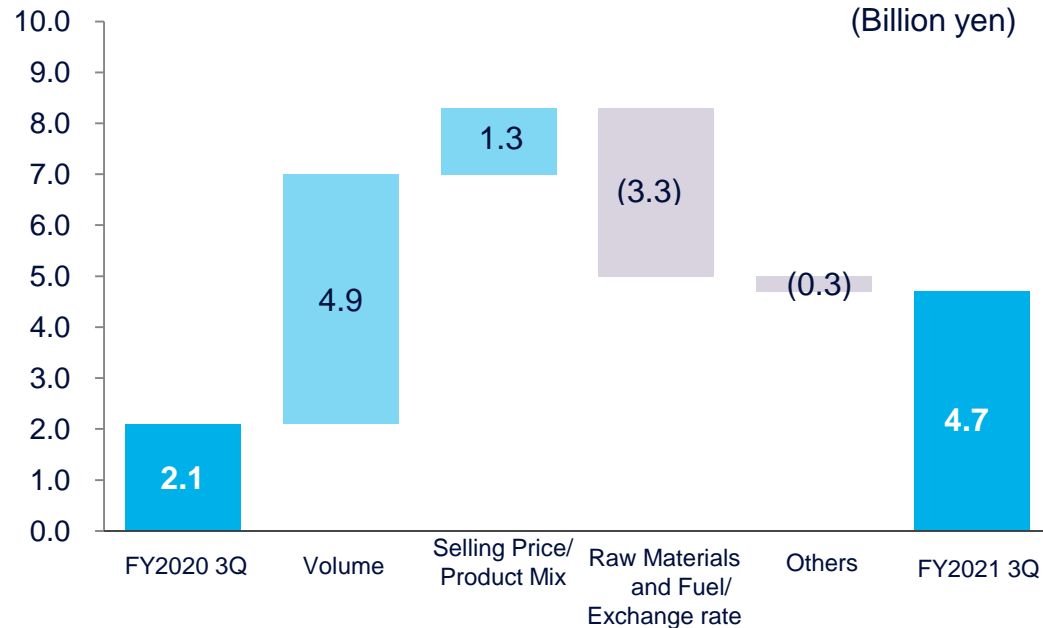
PVA resin	Sales increased for a wide range of applications as global demand has been recovering, but performance was impacted by high raw material and fuel prices.
Optical-use poval film	Sales were brisk against a backdrop of robust demand for LCD panels continuing from the second half of the previous fiscal year.
Water-soluble PVA film<MonoSol>	Sales steadily expanded for use in unit dose detergent packets, including for laundry and dish detergents.
PVB film	The sales volume rose year on year but were affected by a decrease in the production of automobiles caused by a shortage of semiconductors in the third quarter.
EVAL™	The sales volume increased due to a recovery in demand for gas tank applications and solid demand for food packaging applications but were affected by a decrease in the production of automobiles and high raw material and fuel prices in the third quarter.
Main reason of increase/decrease	The surge in raw material and fuel prices and the increase in logistic costs were offset by an increase in profit attributable to an increase in sales volume and price raise.

Factors Affecting the Change in Operating Income (Isoprene)

(Billion yen)

	FY2020 3Q	FY2021 3Q	Difference
Net Sales	36.1	45.5	9.3
Operating Income	2.1	4.7	2.6

Fine Chemicals and Elastomers	The sales volume increased due to a recovery in demand.
GENESTAR™	Sales remained brisk as demand for electric and electronic device applications and automotive applications increased.

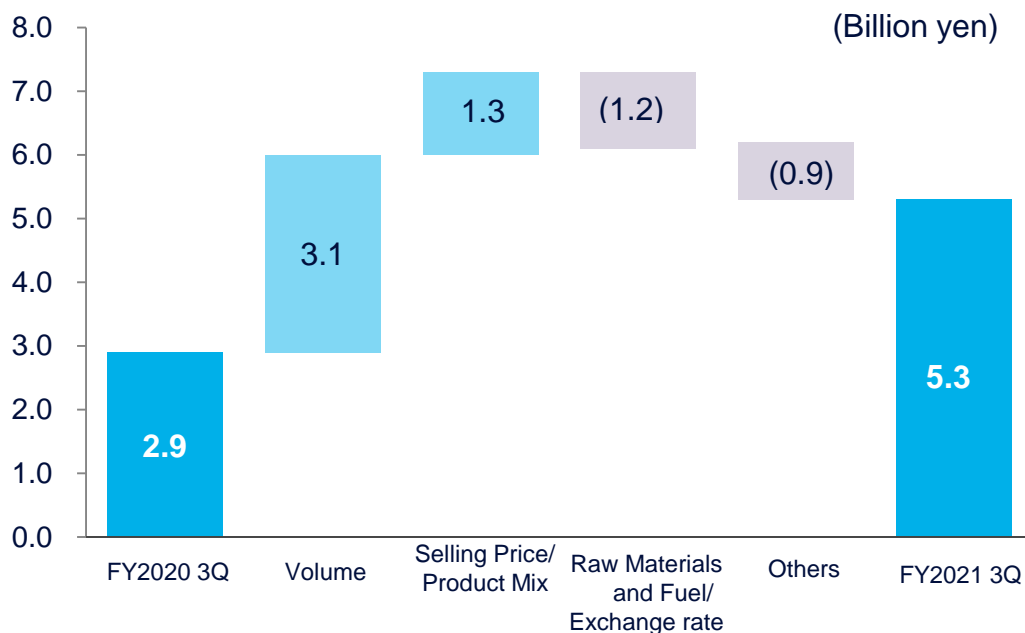


Main reason of increase/decrease	The surge in raw material and fuel prices and the increase in logistic costs were offset by an increase in profit attributable to an increase in sales volume and price raise.
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Factors Affecting the Change in Operating Income (Functional Materials)

(Billion yen)

	FY2020 3Q	FY2021 3Q	Difference
Net Sales	90.7	99.7	9.0
Operating Income	2.9	5.3	2.4



Methacrylate

Sales of spatter-blocking barrier panels and displays remained steady, and market conditions stayed strong.

Medical

Demand for new Kuraray products was strong in the dental materials business, and sales were particularly brisk in Europe and the United States.

Environmental Solutions

Demand for industrial application products recovered, and sales of activated carbon remained steady.

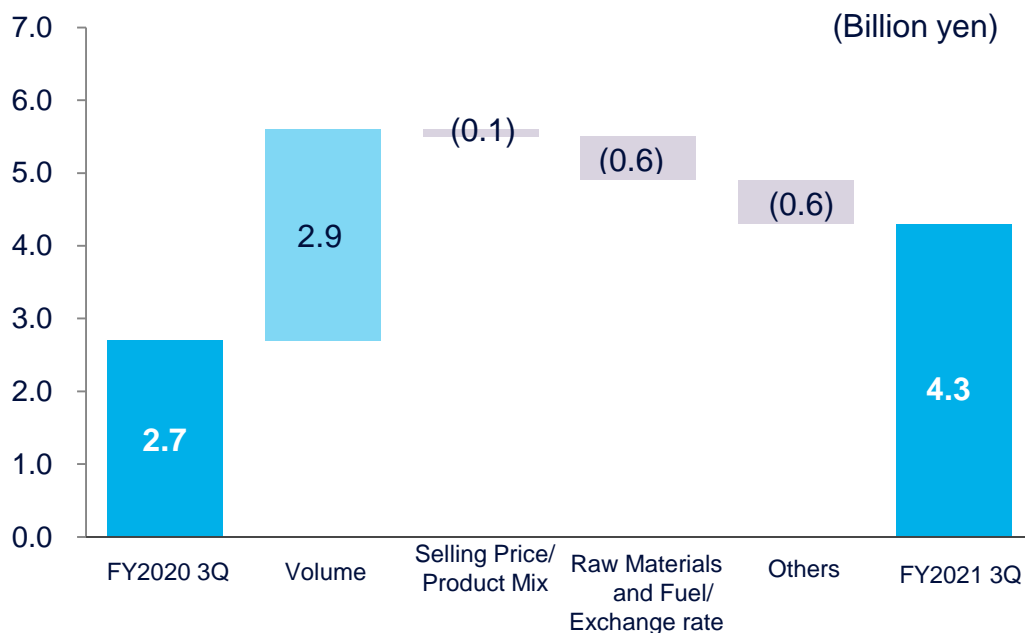
Main reason of increase/decrease

The surge in raw material and fuel prices and the increase in logistic costs were offset by an increase in profit attributable to an increase in sales volume, strong market conditions, and price raise.

Factors Affecting the Change in Operating Income (Fibers and Textiles)

(Billion yen)

	FY2020 3Q	FY2021 3Q	Difference
Net Sales	40.0	44.8	4.8
Operating Income	2.7	4.3	1.6



CLARINO™

Sales remained brisk as demand for use in shoes and luxury products recovered.

Fibers and Industrial Materials

Sales volume of KURALON™ remained brisk as demand for cement reinforcement and rubber materials recovered.

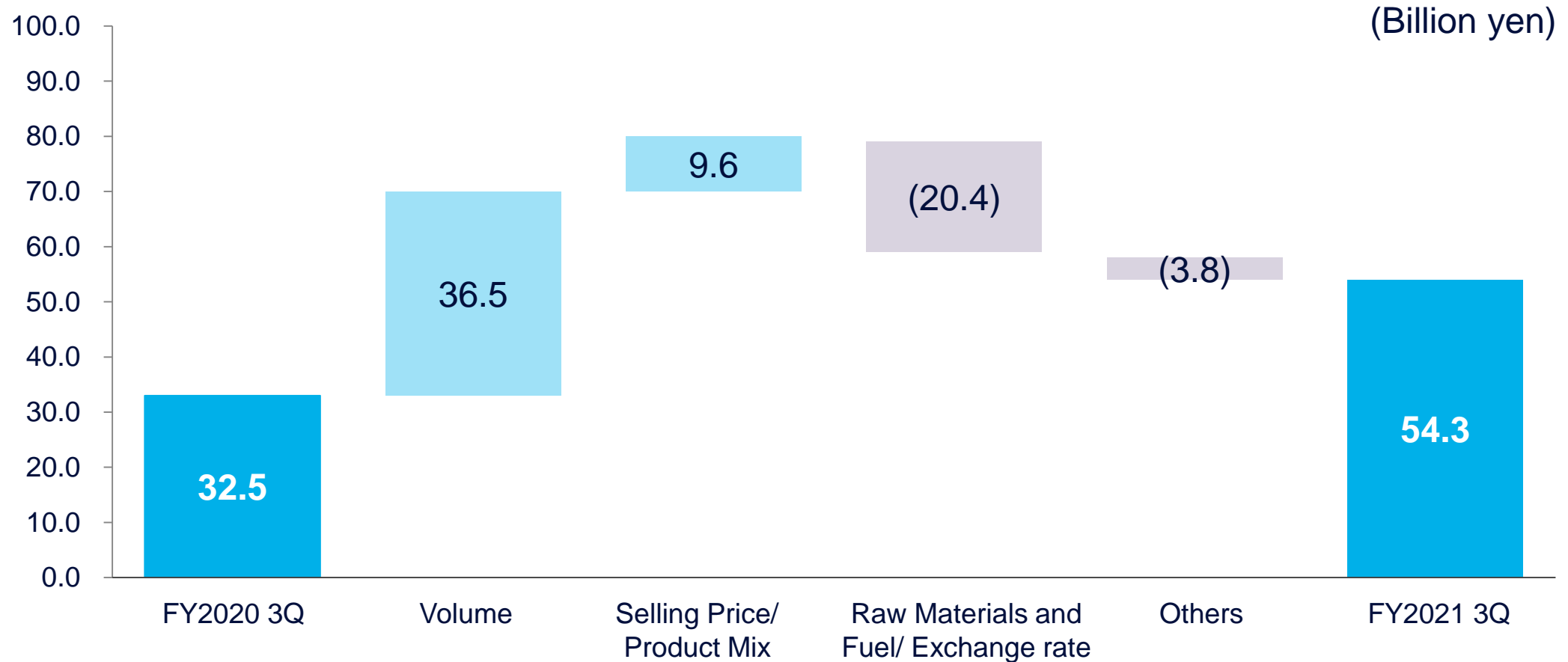
Consumer Goods and Materials

Demand for KURAFLEX™ for use in counter cloths for the restaurant industry was weak.

Main reason of increase/decrease

The surge in raw material and fuel prices and the increase in logistic costs were offset by an increase in profit attributable to an increase in sales. Although we promoted price increase, sales mix change pushed down profit.

Factors Affecting the Change in Operating Income



	FY2020 3Q	FY2021 3Q
Domestic naphtha (JPY1,000/kl)	35	44
JPY/USD	108	109
JPY/EUR	121	130

Balance Sheet [1]: Assets

(Billion yen)

	Sep. 30, 2021	Dec. 31, 2020	Difference
Current Assets	450.4	461.2	(10.8)
Noncurrent Assets	611.8	590.4	21.4
Total Assets	1,062.2	1,051.6	10.6

Reference: Exchange rates at end of period

	Sep. 30, 2021	Dec. 31, 2020
JPY/USD	112	104
JPY/EUR	130	127

Balance Sheet [2]: Liabilities and Net Assets

(Billion yen)

	Sep. 30, 2021	Dec. 31, 2020	Difference
Current Liabilities	213.0	195.1	18.0
Noncurrent Liabilities	289.7	341.1	(51.4)
Total Liabilities	502.7	536.1	(33.4)
Net Assets	559.5	515.5	44.0
Total Liabilities and Net Assets	1,062.2	1,051.6	10.6

Equity Ratio

51.0%

47.4%

3.5%

Reference: Exchange rates at end of period

	Sep. 30, 2021	Dec. 31, 2020
JPY/USD	112	104
JPY/EUR	130	127

Forecast for FY2021

(Billion yen)

	FY2021 Forecast (Nov. 10, 2021)	FY2021 Forecast (Aug. 12, 2021)	Difference	FY2020 Result
Net Sales	615.0	610.0	5.0	541.8
Operating Income	70.0	66.0	4.0	44.3
Ordinary Income	65.0	61.0	4.0	39.7
Net Income*	35.0	33.0	2.0	2.6

*Net Income Attributable to Owners of the Parent

Reference

JPY/USD	108	106
JPY/EUR	129	127
Domestic naphtha (JPY1,000/kl)	48	47

107
122
34

【Ref.】 Net sales and Operating Income by Segment (vs last Forecast)

(Billion yen)

	FY2021 Forecast (Nov. 10, 2021)		FY2021 Forecast (Aug. 12, 2021)		Difference	
	Net sales	Operating Income	Net sales	Operating Income	Net sales	Operating Income
Vinyl Acetate	299.0	55.5	296.0	53.0	3.0	2.5
Isoprene	62.0	7.0	62.0	7.0	0.0	0.0
Functional Materials	135.0	7.5	135.0	7.0	0.0	0.5
Fibers & Textiles	62.0	5.0	62.0	4.0	0.0	1.0
Trading	140.0	4.5	140.0	4.5	0.0	0.0
Others	42.0	0.5	40.0	0.5	2.0	0.0
Elimination & Corporate	(125.0)	(10.0)	(125.0)	(10.0)	0.0	0.0
Total	615.0	70.0	610.0	66.0	5.0	4.0

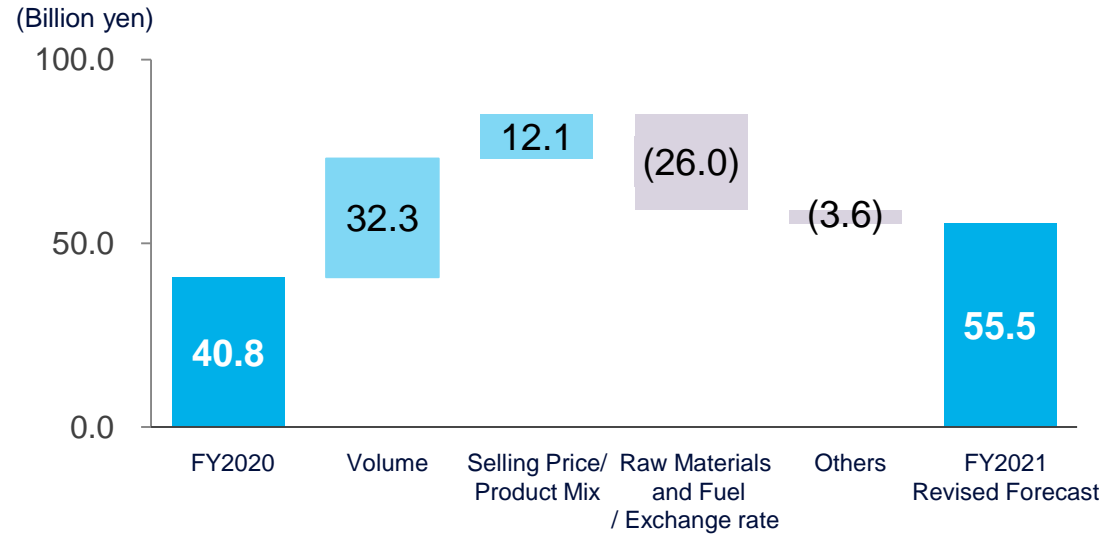
【Ref.】 Net sales and Operating Income by Segment (vs FY2020 result)

(Billion yen)

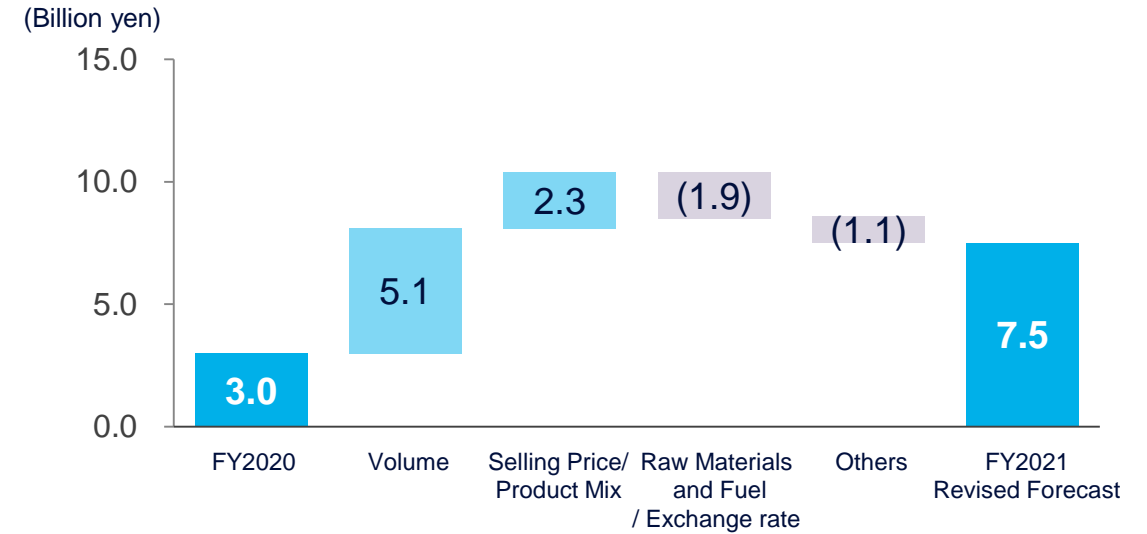
	FY2021 Forecast (Nov. 10, 2021)		FY2020 result		Difference	
	Net sales	Operating Income	Net sales	Operating Income	Net sales	Operating Income
Vinyl Acetate	299.0	55.5	257.1	40.8	41.9	14.7
Isoprene	62.0	7.0	50.4	3.8	11.6	3.2
Functional Materials	135.0	7.5	125.0	3.0	10.0	4.5
Fibers & Textiles	62.0	5.0	54.4	2.2	7.6	2.8
Trading	140.0	4.5	124.4	3.6	15.6	0.9
Others	42.0	0.5	41.7	0.2	0.3	0.3
Elimination & Corporate	(125.0)	(10.0)	(111.2)	(9.2)	(13.8)	(0.8)
Total	615.0	70.0	541.8	44.3	73.2	25.7

【Ref.】 Factors Affecting the Change in Operating Income by segment

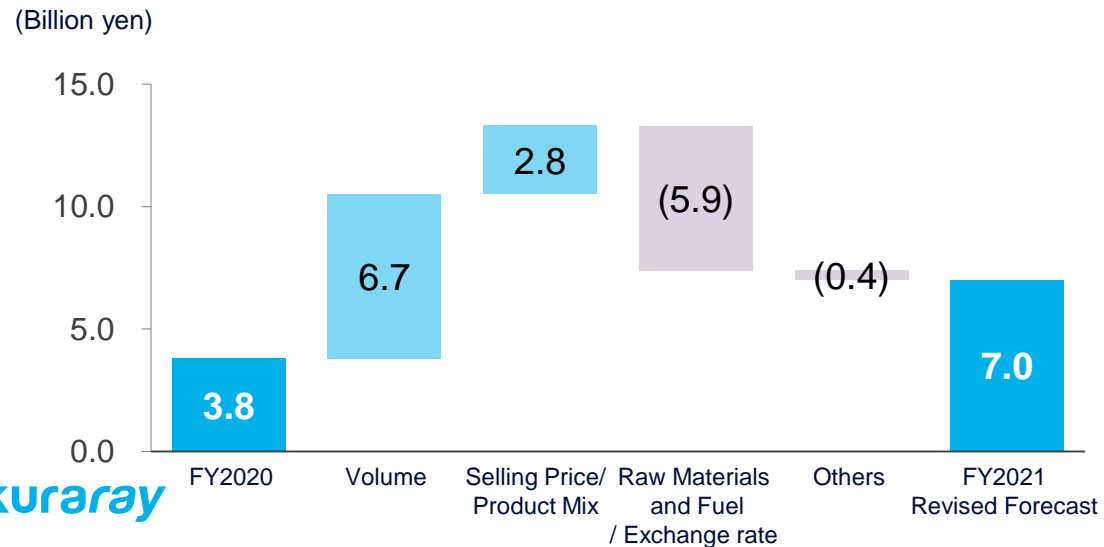
Vinyl Acetate



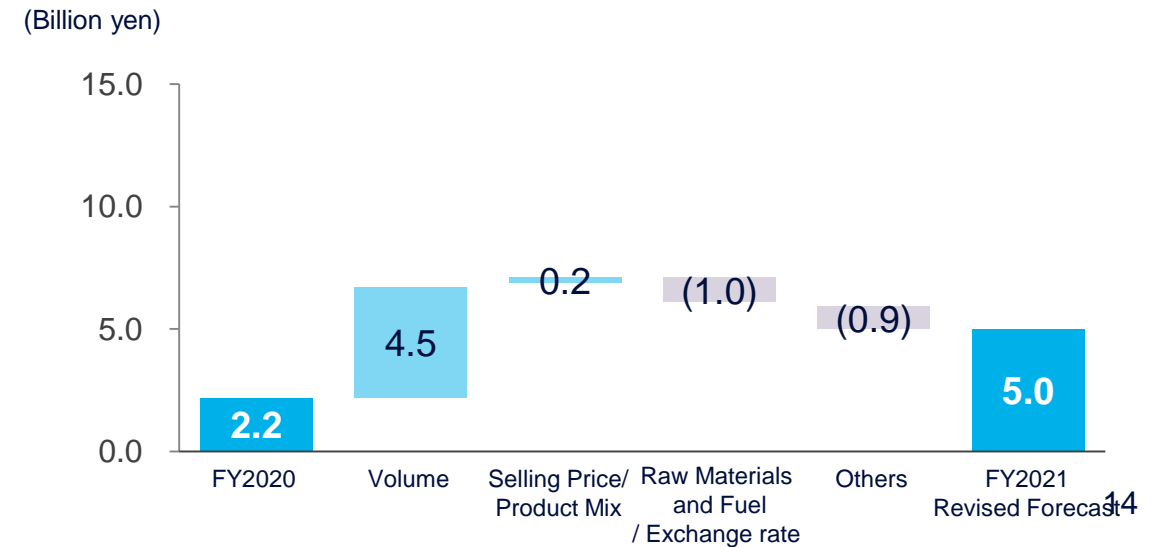
Functional Materials



Isoprene



Fibers & Textiles



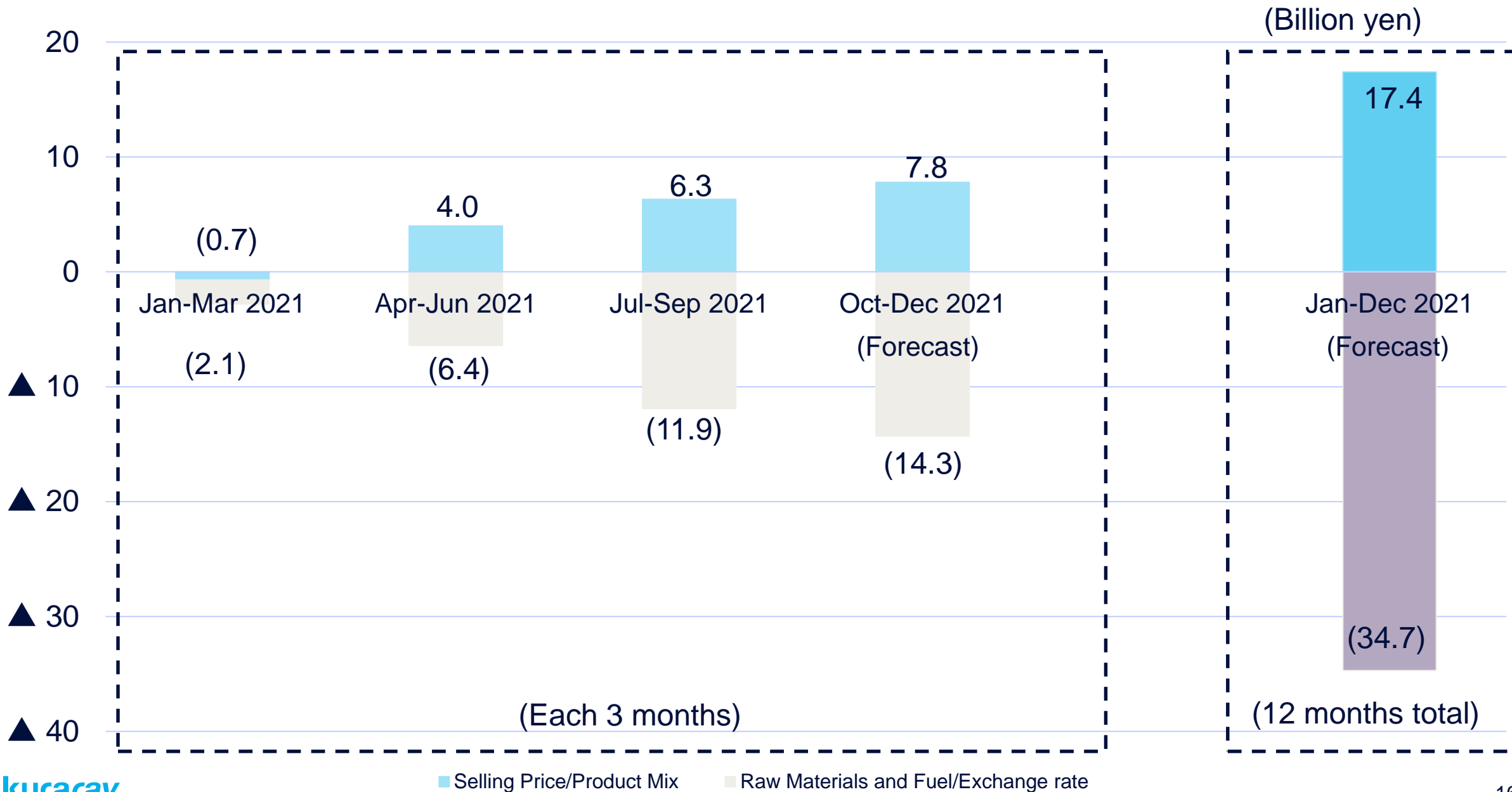
【Ref.】 Factors Affecting the Change in Operating Income

(Billion yen)



	FY2020	FY2021
Domestic naphtha (JPY1,000/kl)	34	48
JPY/USD	107	108
JPY/EUR	122	129

【Ref.】 Selling Price/Product Mix and Raw Materials and Fuel/Exchange rate by quarter



【Ref.】 Quarterly Net sales by segments

(Billion yen)

	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q (Forecast)	Total (Forecast)
Vinyl Acetate	63.9	57.9	64.9	70.4	257.1	72.2	76.3	76.4	74.1	299.0
Isoprene	13.2	11.6	11.4	14.2	50.4	14.9	15.6	15.0	16.5	62.0
Functional Materials	30.8	28.4	31.5	34.3	125.0	30.3	34.4	35.0	35.3	135.0
Fibers & Textiles	14.5	13.8	11.8	14.4	54.4	13.7	16.2	14.9	17.2	62.0
Trading	29.8	30.3	29.3	35.1	124.4	33.0	36.2	36.2	34.7	140.0
Others	11.7	10.5	9.9	9.7	41.7	10.3	11.5	12.0	8.2	42.0
Elimination & Corporate	(26.8)	(27.3)	(27.1)	(30.0)	(111.2)	(29.9)	(32.2)	(32.7)	(30.2)	(125.0)
Total	136.9	125.1	131.8	148.0	541.8	144.4	157.9	156.9	155.8	615.0

【Ref.】 Quarterly Operating Income by segments

(Billion yen)

	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q (Forecast)	Total (Forecast)
Vinyl Acetate	8.4	8.5	11.1	12.8	40.8	13.4	11.2	18.3	12.6	55.5
Isoprene	3.1	(1.0)	0.0	1.7	3.8	3.0	0.2	1.5	2.3	7.0
Functional Materials	1.3	(0.2)	1.8	0.1	3.0	1.1	2.0	2.2	2.2	7.5
Fibers & Textiles	0.9	0.7	1.0	(0.5)	2.2	0.4	1.6	2.3	0.7	5.0
Trading	1.0	1.1	0.7	0.8	3.6	1.1	1.3	1.2	0.9	4.5
Others	0.0	0.2	0.1	(0.1)	0.2	(0.1)	0.2	0.6	(0.1)	0.5
Elimination & Corporate	(2.7)	(1.7)	(1.9)	(2.9)	(9.2)	(2.1)	(2.7)	(2.3)	(2.8)	(10.0)
Total	12.0	7.6	12.9	11.8	44.3	16.8	13.6	23.9	15.7	70.0



All figures are rounded to the nearest hundred million yen.

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