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FY2025 1Q Earnings Presentation

KURARAY CO., LTD.

May 14, 2025

(Billion yen)

	FY2025 1Q	FY2024 1Q	Difference
Net Sales	194.8	192.2	2.6
Operating Income	18.7	28.8	(10.1)
Ordinary Income	17.8	27.9	(10.0)
Net Income Attributable to Owners of the Parent	12.0	21.6	(9.6)
	Reference		
JPY/USD (average)	153	149	
JPY/EUR (average)	161	161	
Domestic naphtha (JPY 1,000/kl)	73	73	

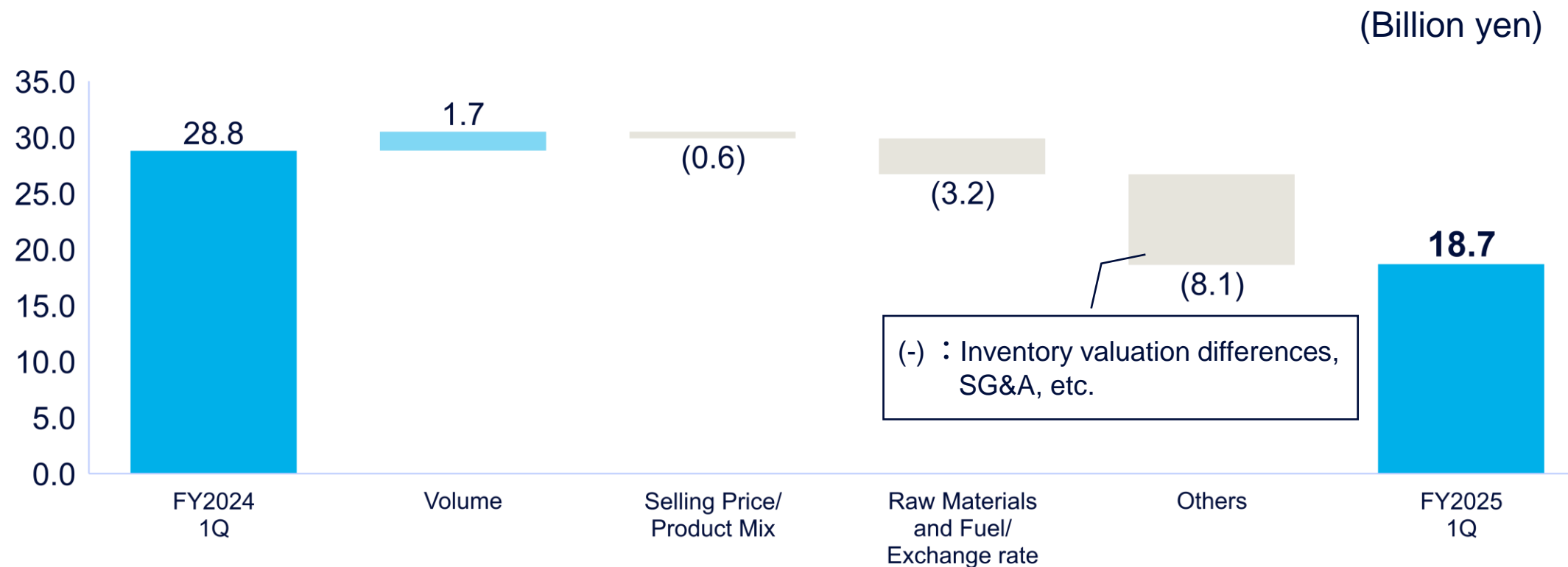
Net Sales and Operating Income by Segment

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(Billion yen)

	FY2025 1Q		FY2024 1Q		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	100.4	15.9	99.0	24.8	1.4	(8.9)
Isoprene	19.7	2.8	17.2	0.0	2.5	2.8
Functional Materials	47.6	2.0	48.7	3.2	(1.1)	(1.2)
Fibers & Textiles	13.4	(0.6)	13.8	(0.2)	(0.4)	(0.4)
Trading	16.7	1.4	15.3	1.3	1.3	0.0
Others	11.1	0.1	11.7	0.4	(0.6)	(0.3)
Elimination & Corporate	(14.1)	(3.0)	(13.6)	(0.8)	(0.5)	(2.2)
Total	194.8	18.7	192.2	28.8	2.6	(10.1)

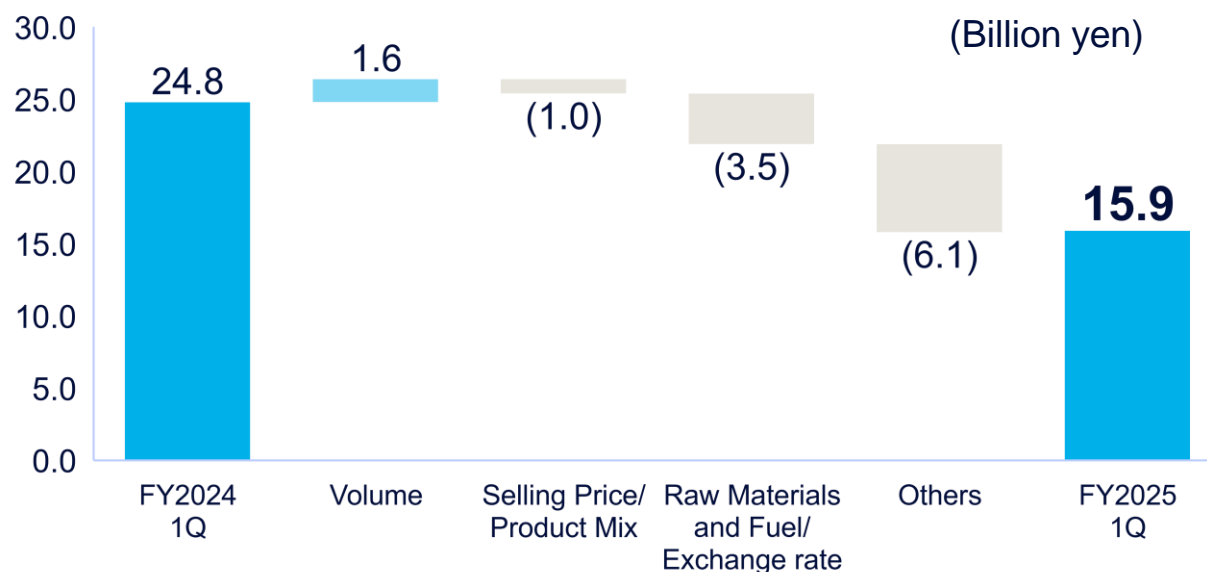
Factors Affecting the Change in Operating Income



	FY2024 1Q	FY2025 1Q
JPY/USD (average)	149	153
JPY/EUR (average)	161	161
Domestic naphtha (JPY 1,000/kl)	73	73

	(Billion yen)		
	FY2024 1Q	FY2025 1Q	Difference
Net Sales	99.0	100.4	1.4
Operating Income	24.8	15.9	(8.9)

[Factors Affecting the Change in Operating Income]

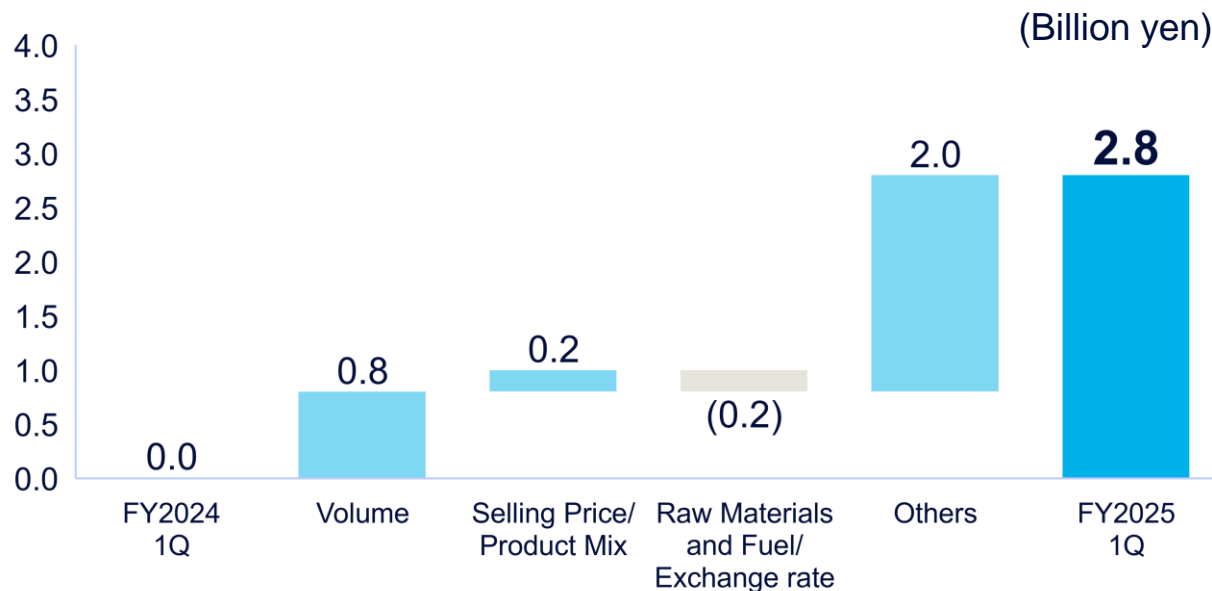


PVOH resin	Sales volume decreased as special demand faded after arising in the previous year due to logistics disruptions affecting shipments to Europe. Inventory valuation differences and rising raw material and fuel prices caused negative impact.
Optical-use poval film	Although sales remained firm in China 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™	The sales volume increased as food packaging applications remained favorable, especially in Europe and the U.S., and automotive applications held steady, but these products were affected in part by rising raw material and fuel prices.
Main reason of increase/decrease	Although sales volume such as for EVAL™ increased, profits for the segment decreased due to the negative impact of rising raw material and fuel prices and inventory valuation differences.

(Billion yen)

	FY2024 1Q	FY2025 1Q	Difference
Net Sales	17.2	19.7	2.5
Operating Income	0.0	2.8	2.8

[Factors Affecting the Change in Operating Income]



Isoprene Chemicals and Elastomers

Sales volume increased 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.

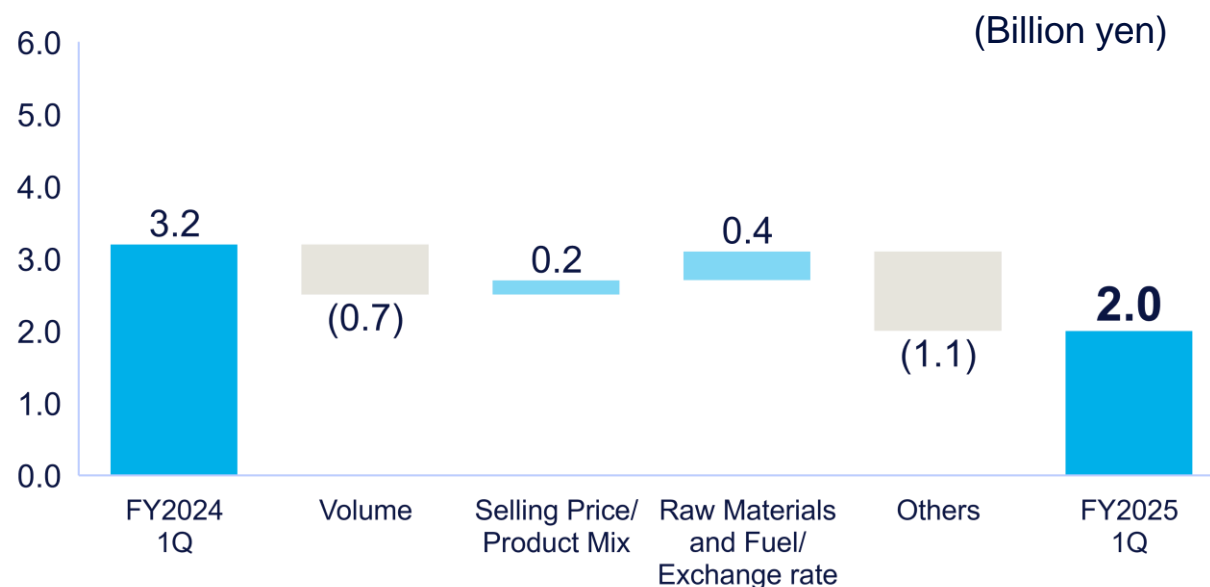
Main reason of increase/decrease

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

(Billion yen)

	FY2024 1Q	FY2025 1Q	Difference
Net Sales	48.7	47.6	(1.1)
Operating Income	3.2	2.0	(1.2)

[Factors Affecting the Change in Operating Income]

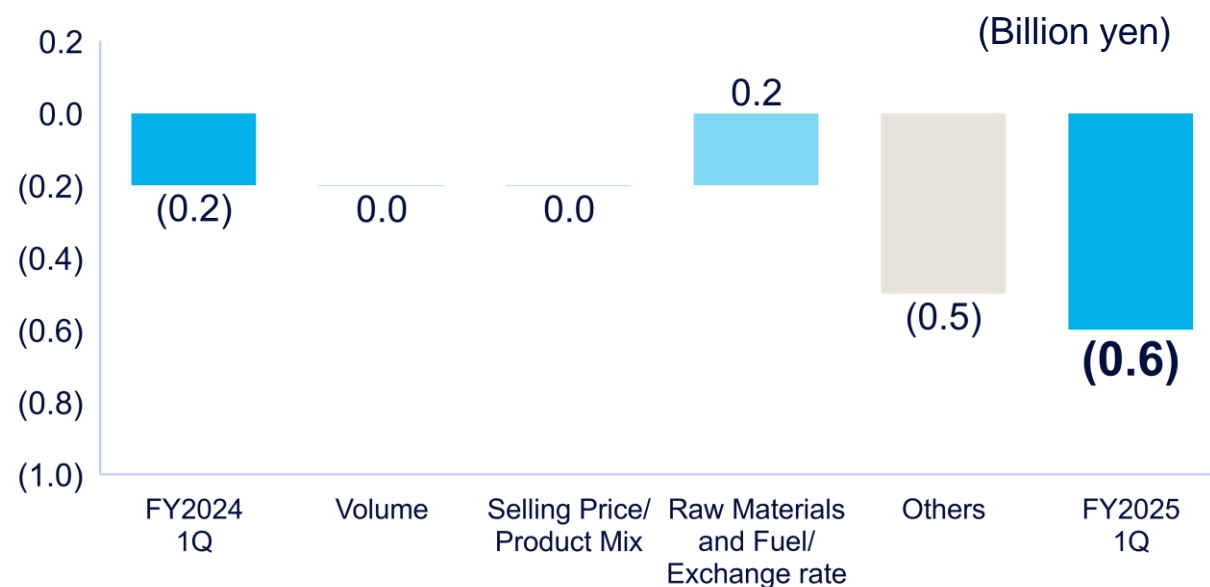


Methacrylate	Although sales volume fell due to temporary production difficulties, terms of trade improved.
Medical	Sales of cosmetic dental materials, mainly in Europe and the U.S., remained brisk. We continued strengthening marketing aimed at expanding sales.
Environmental Solutions	Demand for industrial activated carbon remained weak in Europe. Although demand in North America remained stable, performance was impacted by a cold snap and production difficulties.
Main reason of increase/decrease	Profit for the segment decreased due in part to the effects of a cold snap in the U.S. and production difficulties.

(Billion yen)

	FY2024 1Q	FY2025 1Q	Difference
Net Sales	13.8	13.4	(0.4)
Operating Income	(0.2)	(0.6)	(0.4)

[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 EV market, 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

Loss increased due to the sluggish European economy and reduced automobile production.

(Billion yen)

	Mar. 31, 2025	Dec. 31, 2024	Difference
Current Assets	565.1	565.3	(0.1)
Non-current Assets	699.6	726.0	(26.4)
Total Assets	1,264.7	1,291.2	(26.5)

	Mar. 31, 2025	Dec. 31, 2024
JPY/USD (end of period)	150	158
JPY/EUR (end of period)	162	165

(Billion yen)

	Mar. 31, 2025	Dec. 31, 2024	Difference
Current Liabilities	205.5	198.2	7.3
Non-current Liabilities	302.2	311.2	(9.0)
Total Liabilities	507.7	509.4	(1.7)
Net Assets	757.0	781.8	(24.8)
Total Liabilities and Net Assets	1,264.7	1,291.2	(26.5)

Equity Ratio

58.5%

59.2%

(0.7)%

	Mar. 31, 2025	Dec. 31, 2024
JPY/USD (end of period)	150	158
JPY/EUR (end of period)	162	165

■ Unchanged from the initial forecast

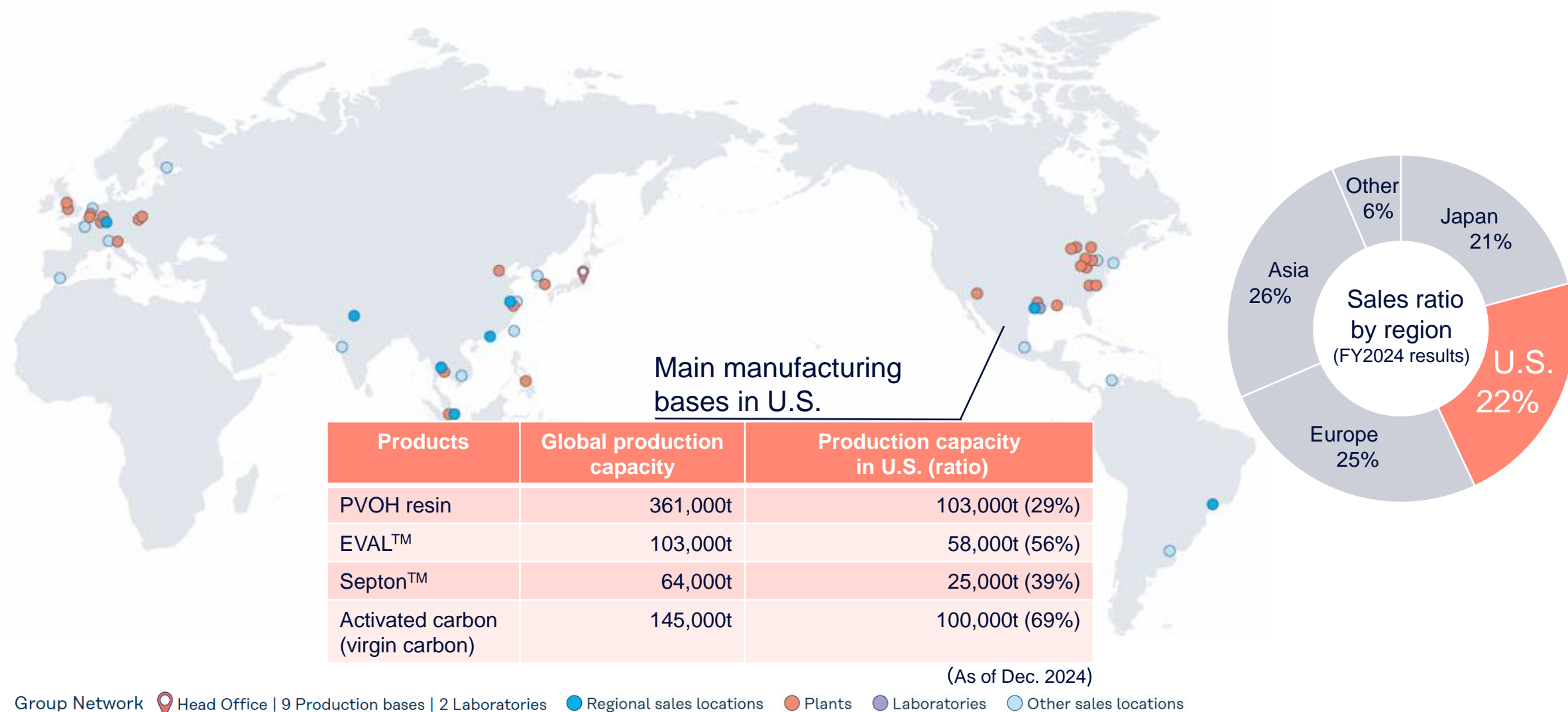
(Billion yen)

	FY2025 Forecast			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net Sales	420.0	440.0	860.0	411.2	415.7	826.9	8.8	24.3	33.1
Operating Income	38.0	52.0	90.0	45.5	39.6	85.1	(7.5)	12.4	4.9
Ordinary Income	36.0	49.0	85.0	44.0	37.5	81.5	(8.0)	11.5	3.5
Net Income Attributable to Owners of the Parent	22.0	23.0	45.0	30.4	1.3	31.7	(8.4)	21.7	13.3

(Reference)

JPY/USD (average)	145	152	152
JPY/EUR (average)	160	165	164
Domestic naphtha (JPY 1,000/kl)	70	75	75

- Leverage our manufacturing bases located around the world to minimize the impact of tariffs



- Decided to conduct share buyback up to ¥30.0 billion
- Manage finances in line with capital policies and aim for early achievement of an ROE of 10%

	Dividend Maintain and increase dividends per share	Share Buybacks Aim for continuous conduct	Total Return Ratio 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. 104%

* 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

[Ref.] Net Sales Forecast by Segment

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(Billion yen)

	FY2025 Forecast			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	210.0	218.0	428.0	208.8	206.1	414.9	1.2	11.9	13.1
Isoprene	41.0	44.0	85.0	37.5	38.8	76.4	3.5	5.2	8.6
Functional Materials	107.5	113.5	221.0	102.8	105.2	208.0	4.7	8.3	13.0
Fibers & Textiles	31.0	34.0	65.0	31.2	31.4	62.7	(0.2)	2.6	2.3
Trading	34.5	35.5	70.0	32.2	35.4	67.6	2.3	0.1	2.4
Others	21.0	22.0	43.0	25.0	25.9	50.9	(4.0)	(3.9)	(7.9)
Elimination & Corporate	(25.0)	(27.0)	(52.0)	(26.4)	(27.1)	(53.5)	1.4	0.1	1.5
Total	420.0	440.0	860.0	411.2	415.7	826.9	8.8	24.3	33.1

[Ref.] Operating Income Forecast by Segment

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(Billion yen)

	FY2025 Forecast			FY2024			Difference		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Vinyl Acetate	34.0	47.0	81.0	43.9	43.7	87.6	(9.9)	3.3	(6.6)
Isoprene	(2.5)	(2.0)	(4.5)	(4.0)	(5.5)	(9.5)	1.5	3.5	5.0
Functional Materials	9.0	10.0	19.0	6.5	6.5	12.9	2.5	3.5	6.1
Fibers & Textiles	0.5	1.5	2.0	0.7	0.5	1.2	(0.2)	1.0	0.8
Trading	3.2	3.3	6.5	2.7	3.2	5.9	0.5	0.1	0.6
Others	0.8	1.2	2.0	0.9	1.4	2.3	(0.1)	(0.2)	(0.3)
Elimination & Corporate	(7.0)	(9.0)	(16.0)	(5.2)	(10.2)	(15.4)	(1.8)	1.2	(0.6)
Total	38.0	52.0	90.0	45.5	39.6	85.1	(7.5)	12.4	4.9

[Ref.] Quarterly Net Sales by Segment

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(Billion yen)

	FY2024					FY2025		
	1Q	2Q	3Q	4Q	FY	1Q	2Q (Forecast)	1H (Forecast)
Vinyl Acetate	99.0	109.8	106.7	99.4	414.9	100.4	109.6	210.0
Isoprene	17.2	20.4	18.5	20.3	76.4	19.7	21.3	41.0
Functional Materials	48.7	54.0	49.6	55.7	208.0	47.6	59.9	107.5
Fibers & Textiles	13.8	17.4	15.0	16.5	62.7	13.4	17.6	31.0
Trading	15.3	16.9	16.0	19.4	67.6	16.7	17.8	34.5
Others	11.7	13.3	12.1	13.8	50.9	11.1	9.9	21.0
Elimination & Corporate	(13.6)	(12.8)	(14.2)	(12.9)	(53.5)	(14.1)	(10.9)	(25.0)
Total	192.2	219.0	203.6	212.1	826.9	194.8	225.2	420.0

[Ref.] Quarterly Operating Income by Segment

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(Billion yen)

	FY2024					FY2025		
	1Q	2Q	3Q	4Q	FY	1Q	2Q (Forecast)	1H (Forecast)
Vinyl Acetate	24.8	19.1	26.7	17.0	87.6	15.9	18.1	34.0
Isoprene	0.0	(4.0)	(1.5)	(3.9)	(9.5)	2.8	(5.3)	(2.5)
Functional Materials	3.2	3.2	2.8	3.6	12.9	2.0	7.0	9.0
Fibers & Textiles	(0.2)	1.0	1.5	(1.0)	1.2	(0.6)	1.1	0.5
Trading	1.3	1.4	1.4	1.8	5.9	1.4	1.8	3.2
Others	0.4	0.5	1.0	0.4	2.3	0.1	0.7	0.8
Elimination & Corporate	(0.8)	(4.5)	(3.3)	(6.8)	(15.4)	(3.0)	(4.0)	(7.0)
Total	28.8	16.7	28.5	11.2	85.1	18.7	19.3	38.0

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