



FY2022 1Q Earnings Presentation

KURARAY CO., LTD.

(Billion yen)

	FY2022 1Q	FY2021 1Q	Difference
Net Sales	167.6	144.4	23.2
Operating Income	22.1	16.8	5.4
Ordinary Income	22.3	16.3	6.0
Net Income*	12.7	5.3	7.4

Reference			
JPY/USD (average)	116	106	
JPY/EUR (average)	130	128	
Domestic naphtha (JPY 1,000/kl)	63	36	

*Net Income Attributable to Owners of the Parent

Net Sales and Operating Income by Segment

(Billion yen)

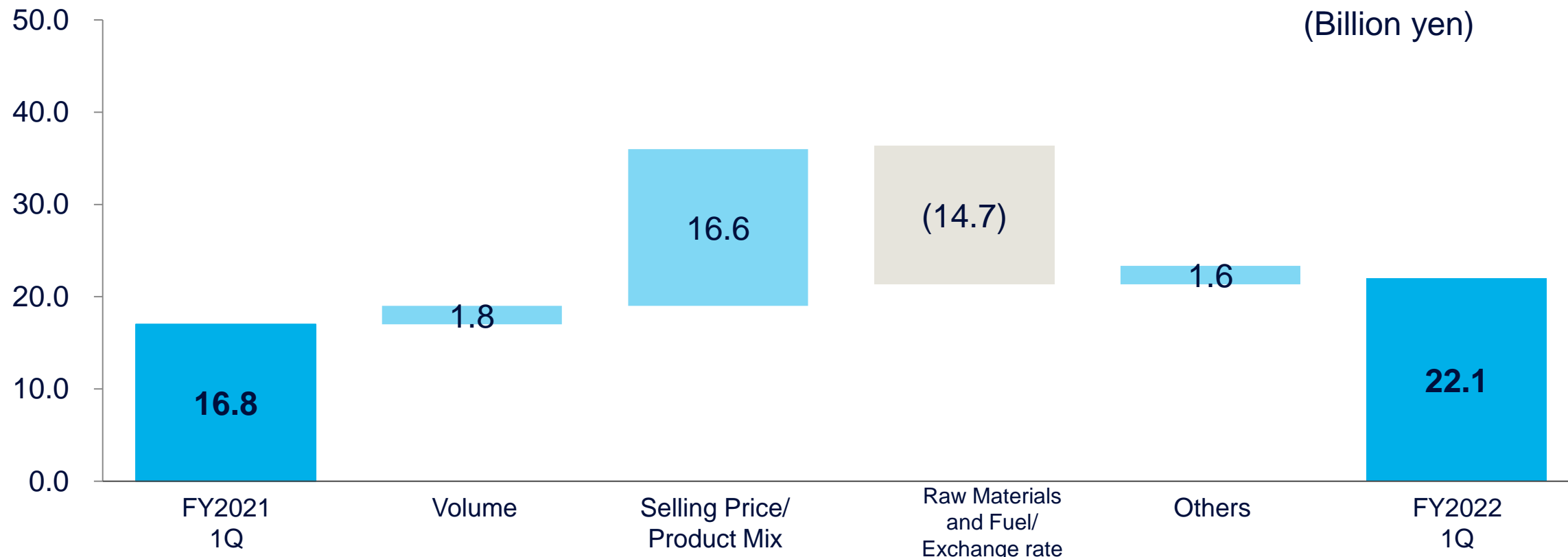
	FY2022 1Q Result		FY2021 1Q Result		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	86.2	17.2	72.2	13.5	14.0	3.8
Isoprene	15.4	2.7	14.9	3.0	0.5	(0.3)
Functional Materials	38.0	2.2	30.9	1.0	7.1	1.2
Fibers & Textiles	14.4	1.6	13.7	0.6	0.7	1.1
Trading	14.0	1.3	33.0	1.1	(19.0)	0.2
Others	10.7	0.4	9.6	(0.0)	1.1	0.4
Elimination & Corporate	(11.0)	(3.3)	(29.9)	(2.3)	18.9	(1.0)
Total	167.6	22.1	144.4	16.8	23.2	5.4

※ From FY2022, below listed items are applied.

- Adoption of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), only to FY2022 figures.
- Change of the method of allocating eliminations of profits from some internal transactions among segments and within the corporate, for both FY2021 and FY2022.
- Change of the segment classification of the aqua business from “Others” to “Functional Materials, for both FY2021 and FY2022.

Figures for Trading segment net sales and elimination & corporate for FY2022 1Q have significantly changed compared to FY2021 1Q, mainly due to changes in accounting methods for revenues attributable to agent transactions in the Trading segment as a result of the adoption of the Accounting Standard for Revenue Recognition and other factors. Because of these changes, revenues from such transactions, which have previously been recorded on the basis of total transactional value, are now recorded on a net basis.

Factors Affecting the Change in Operating Income

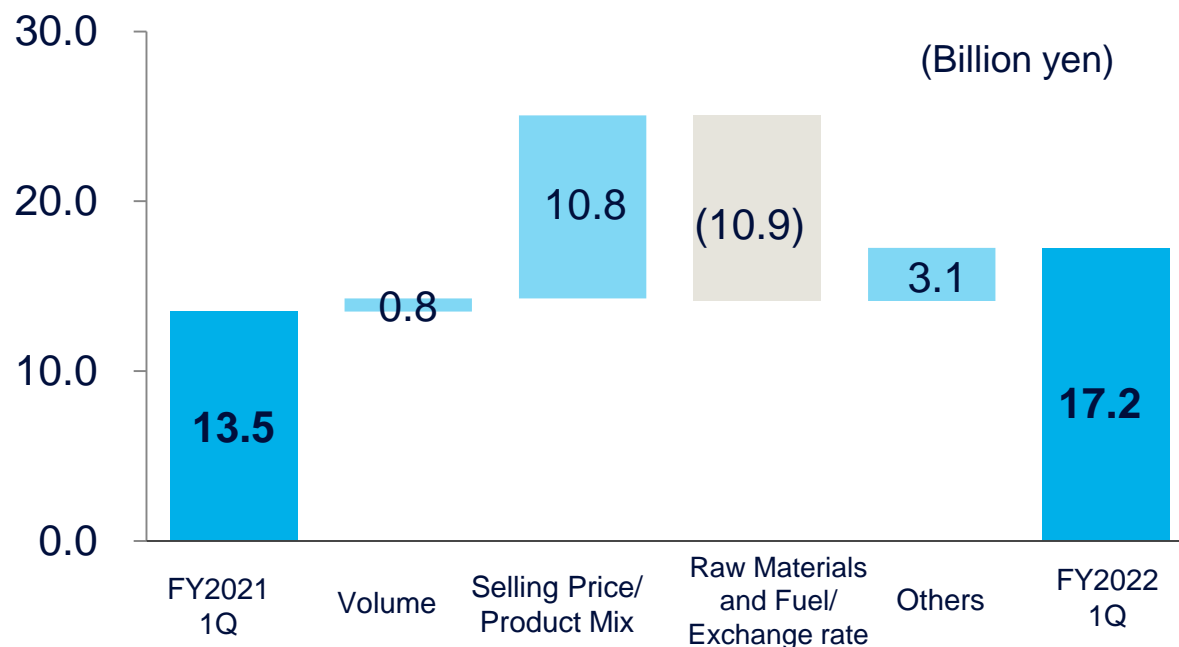


	FY2021 1Q	FY2022 1Q
JPY/USD (average)	106	116
JPY/EUR (average)	128	130
Domestic naphtha (JPY 1,000/kl)	36	63

Factors Affecting the Change in Operating Income (Vinyl Acetate)

(Billion yen)

	FY2021 1Q	FY2022 1Q	Difference
Net Sales	72.2	86.2	14.0
Operating Income	13.5	17.2	3.8



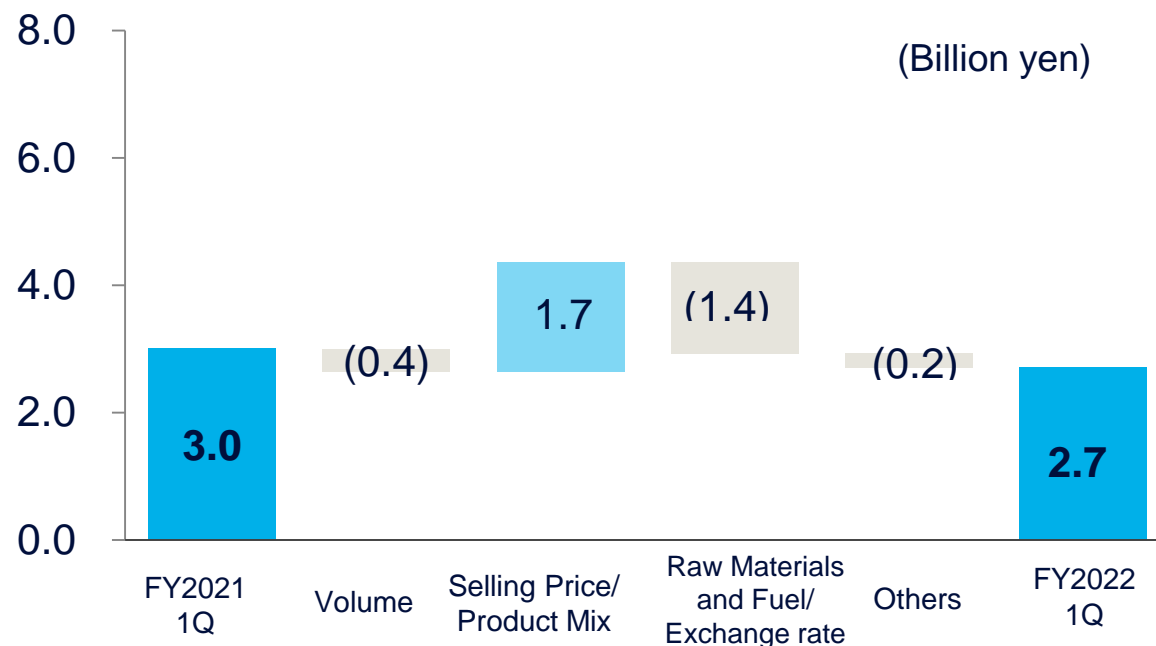
PVA resin	The sales volume decreased due to the suspension of some production facilities at a U.S. subsidiary.
Optical-use poval film	Shipments were on par with the first quarter of the previous fiscal year due to steady demand. We decided our capital investment at the Kurashiki Plant (slated to begin operating in mid 2024) to meet needs for larger TV panel sizes.
Water-soluble PVA film MonoSol	Sales expanded for use in unit dose detergent packets, including for laundry and dish detergents.
Advanced Interlayer Solutions	the sales volume of PVB film fell due to effects from a decrease in the production of automobiles.
EVAL™	demand for food packaging applications remained firm despite effects from a decrease in the production of automobiles.
Main reason of increase/Decrease	Soaring raw material and fuel costs and rising logistic costs were covered by higher income achieved through price negotiations. Although logistic costs increased, Others was positive due to inventory valuation gain/loss.

Factors Affecting the Change in Operating Income (Isoprene)

(Billion yen)

	FY2021 1Q	FY2022 1Q	Difference
Net Sales	14.9	15.4	0.5
Operating Income	3.0	2.7	(0.3)

Isoprene Chemicals and Elastomers	The sales volume decreased due to a temporary difficulty in procuring raw materials despite steady demand.
GENESTAR™	The sales volume decreased for electric and electronic device applications due mainly to logistics disruptions etc. despite steady sales for automotive applications.

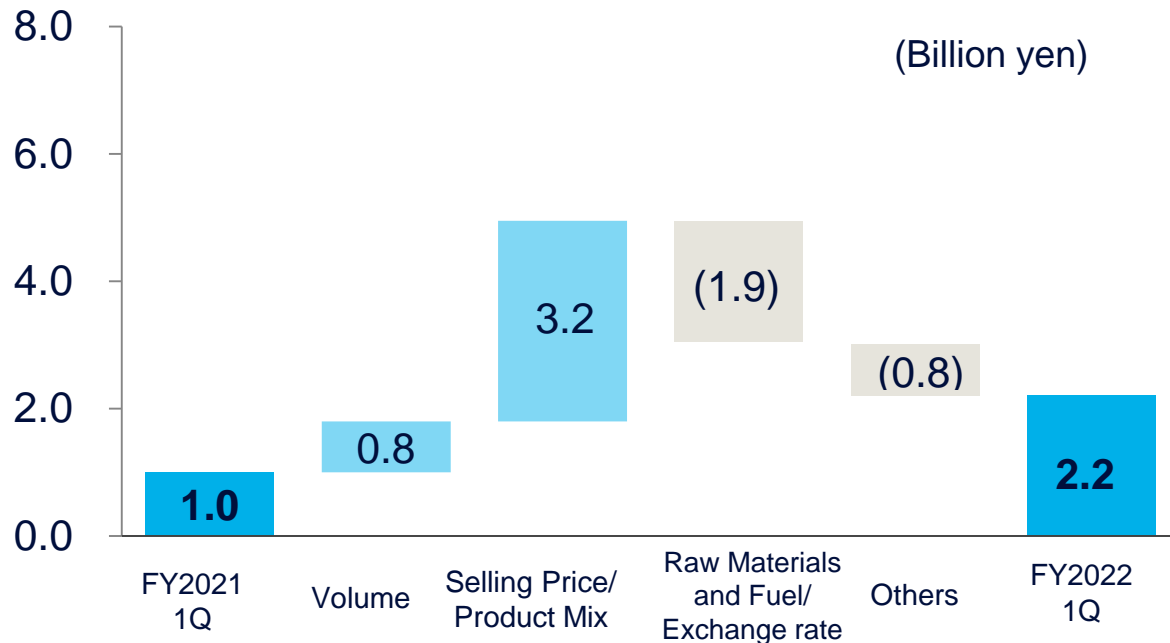


Main reason of increase/decrease	Soaring raw material and fuel costs and rising logistic costs were covered by higher income achieved through price negotiations.
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Factors Affecting the Change in Operating Income (Functional Materials)

(Billion yen)

	FY2021 1Q	FY2022 1Q	Difference
Net Sales	30.9	38.0	7.1
Operating Income	1.0	2.2	1.2



Methacrylate	The sales volume decreased due to a temporary difficulty in procuring raw materials despite steady demand.
Medical	Demand for dental materials was strong, especially in Europe and the United States, and sales expanded.
Environmental Solutions	Demand increased, especially in Europe, and sales of activated carbon remained steady.
Aqua	Demand for hollow fiber membranes for water treatment remained steady.

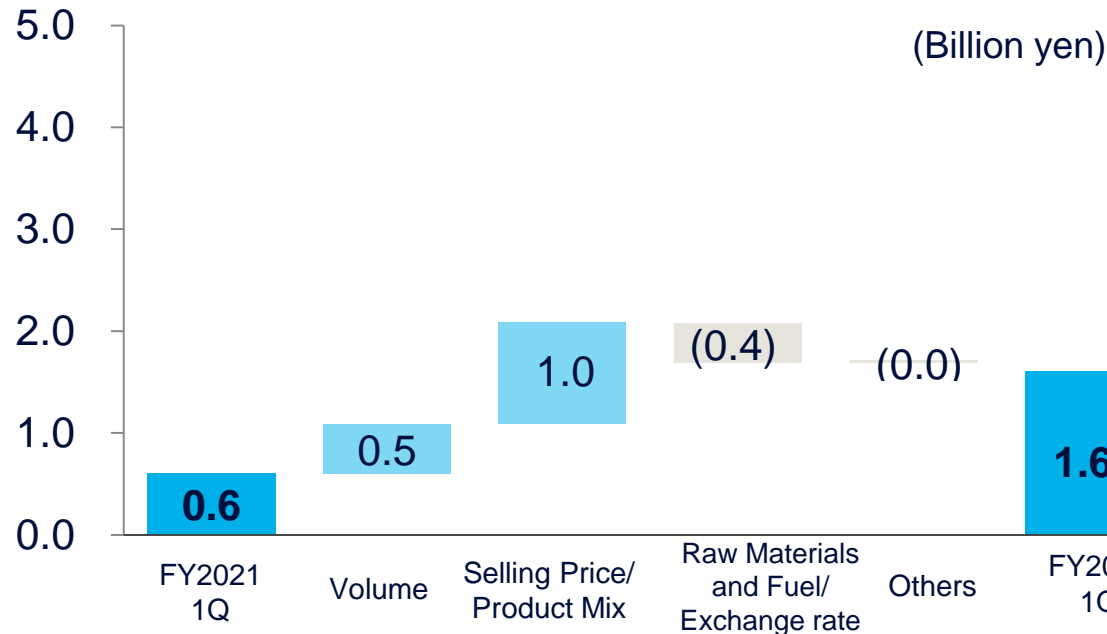
Main reason of increase/decrease	Soaring raw material and fuel costs and rising logistic costs were covered by higher income achieved through price negotiations, including the increased portion of raw material and fuel costs in the previous fiscal year.
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Factors Affecting the Change in Operating Income (Fibers and Textiles)

(Billion yen)

	FY2021 1Q	FY2022 1Q	Difference
Net Sales	13.7	14.4	0.7
Operating Income	0.6	1.6	1.1

CLARINO™	Sales remained steady, especially for use in sports and luxury products.
Fibers and Industrial Materials	KURALON™ was affected by a decrease in the production of automobiles, while sales of VECTRAN™ remained stable, especially for exports.
Consumer Goods and Materials	Demand for KURAFLEX™ in the restaurant industry was weak.



Main reason of increase/decrease	Soaring raw material and fuel costs and rising logistic costs were covered by higher income achieved through price negotiations, etc.
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(Billion yen)

	Mar. 31, 2022	Dec. 31, 2021	Difference
Current Assets	480.9	470.2	10.7
Non-current Assets	649.1	620.8	28.3
Total Assets	1,130.0	1,091.0	39.0

	Mar. 31, 2022	Dec. 31, 2021
JPY/USD (end of period)	122	115
JPY/EUR (end of period)	137	131

Balance Sheet [2]: Liabilities and Net Assets

	(Billion yen)		
	Mar. 31, 2022	Dec. 31, 2021	Difference
Current Liabilities	238.6	219.5	19.2
Non-current Liabilities	283.9	291.9	(8.0)
Total Liabilities	522.5	511.4	11.1
Net Assets	607.5	579.6	27.9
Total Liabilities and Net Assets	1,130.0	1,091.0	39.0
Equity Ratio	52.0%	51.3%	0.7%
	Mar. 31, 2022	Dec. 31, 2021	
JPY/USD (end of period)	122	115	
JPY/EUR (end of period)	137	131	

Forecast for FY2022 (vs Original Forecast)

(Billion yen)

	FY2022 Revised Forecast			FY2022 Original Forecast			Difference		
	1H	2H	Full-Year	1H	2H	Full-Year	1H	2H	Full-Year
Net Sales	350.0	330.0	680.0	320.0	330.0	650.0	30.0	0.0	30.0
Operating Income	38.0	40.0	78.0	33.0	40.0	73.0	5.0	0.0	5.0
Ordinary Income	37.0	38.0	75.0	31.0	38.0	69.0	6.0	0.0	6.0
Net Income*	22.0	23.0	45.0	20.0	23.0	43.0	2.0	0.0	2.0

*Net Income Attributable to Owners of the Parent

Reference

JPY/USD (average)	120	110
JPY/EUR (average)	130	130
Domestic naphtha (JPY 1,000/kl)	71	58

【Ref.】 Forecast for FY2022 (vs FY2021 result)

(Billion yen)

	FY2022 Revised Forecast			FY2021 result			Difference		
	1H	2H	Full-Year	1H	2H	Full-Year	1H	2H	Full-Year
Net Sales	350.0	330.0	680.0	302.3	327.1	629.4	47.7	2.9	50.6
Operating Income	38.0	40.0	78.0	30.4	41.9	72.3	7.6	(1.9)	5.7
Ordinary Income	37.0	38.0	75.0	28.5	40.3	68.8	8.5	(2.3)	6.2
Net Income*	22.0	23.0	45.0	11.7	25.6	37.3	10.3	(2.6)	7.7

*Net Income Attributable to Owners of the Parent

Reference

JPY/USD (average)	120	108	110
JPY/EUR (average)	130	130	130
Domestic naphtha (JPY 1,000/kl)	71	41	48

【Ref.】 Net sales and Operating Income by Segment (vs Original Forecast) *kuraray*

(Billion yen)

	FY2022 Revised Forecast		FY2022 Original Forecast		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	342.0	65.5	320.0	62.0	22.0	3.5
Isoprene	65.0	6.5	65.0	6.5	0.0	0.0
Functional Materials	150.0	8.5	145.0	9.0	5.0	(0.5)
Fibers & Textiles	62.0	4.0	60.0	3.0	2.0	1.0
Trading	59.0	5.1	58.0	5.0	1.0	0.1
Others	44.0	1.5	44.0	1.0	0.0	0.5
Elimination & Corporate	(42.0)	(13.1)	(42.0)	(13.5)	0.0	0.4
Total	680.0	78.0	650.0	73.0	30.0	5.0

【Ref.】 Net sales and Operating Income by Segment (vs FY2021 result) *kuraray*

(Billion yen)

	FY2022 Revised Forecast		FY2021 result		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	342.0	65.5	304.7	58.3	37.3	7.2
Isoprene	65.0	6.5	61.9	6.1	3.1	0.4
Functional Materials	150.0	8.5	142.4	8.7	7.6	(0.2)
Fibers & Textiles	62.0	4.0	61.1	5.6	0.9	(1.6)
Trading	59.0	5.1	144.0	4.8	(85.0)	0.3
Others	44.0	1.5	44.3	1.2	(0.3)	0.3
Elimination & Corporate	(42.0)	(13.1)	(129.1)	(12.4)	87.1	(0.7)
Total	680.0	78.0	629.4	72.3	50.6	5.7

From FY2022, below listed items are applied.

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Figures for Trading segment net sales and elimination & corporate for FY2022 1Q have significantly changed compared to FY2021 1Q, mainly due to changes in accounting methods for revenues attributable to agent transactions in the Trading segment as a result of the adoption of the Accounting Standard for Revenue Recognition and other factors. Because of these changes, revenues from such transactions, which have previously been recorded on the basis of total transactional value, are now recorded on a net basis.

【Ref.】 Quarterly Net sales by segments

kuraray

(Billion yen)

	FY2021					FY2022		
	1Q	2Q	3Q	4Q	Total	1Q	2Q (Forecast)	1H (Forecast)
Vinyl Acetate	72.2	76.3	76.4	79.8	304.7	86.2	91.8	178.0
Isoprene	14.9	15.6	15.0	16.5	61.9	15.4	16.6	32.0
Functional Materials	30.9	35.2	35.8	40.5	142.4	38.0	39.0	77.0
Fibers & Textiles	13.7	16.2	14.9	16.3	61.1	14.4	16.6	31.0
Trading	33.0	36.2	36.2	38.7	144.0	14.0	15.0	29.0
Others	9.6	10.7	11.3	12.7	44.3	10.7	11.3	22.0
Elimination & Corporate	(29.9)	(32.2)	(32.7)	(34.3)	(129.1)	(11.0)	(8.0)	(19.0)
Total	144.4	157.9	156.9	170.2	629.4	167.6	182.4	350.0

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【Ref.】 Quarterly Operating Income by segments

kuraray

(Billion yen)

	FY2021					FY2022		
	1Q	2Q	3Q	4Q	Total	1Q	2Q (Forecast)	1H (Forecast)
Vinyl Acetate	13.5	11.7	18.6	14.5	58.3	17.2	14.8	32.0
Isoprene	3.0	0.3	1.8	1.0	6.1	2.7	(0.2)	2.5
Functional Materials	1.0	2.0	2.5	3.3	8.7	2.2	1.3	3.5
Fibers & Textiles	0.6	1.7	2.4	1.0	5.6	1.6	0.9	2.5
Trading	1.1	1.2	1.2	1.3	4.8	1.3	1.2	2.5
Others	(0.0)	0.3	0.7	0.2	1.2	0.4	0.6	1.0
Elimination & Corporate	(2.3)	(3.6)	(3.2)	(3.3)	(12.4)	(3.3)	(2.7)	(6.0)
Total	16.8	13.6	23.9	17.9	72.3	22.1	15.9	38.0

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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.