

kuraray

Possible starts here

FY2023 3Q Earnings Presentation

KURARAY CO., LTD.

(Billion yen)

	FY2023 3Q	FY2022 3Q	Difference
Net Sales	574.4	553.2	21.2
Operating Income	61.7	70.8	(9.1)
Ordinary Income	57.8	70.1	(12.3)
Net Income Attributable to Owners of the Parent	36.5	47.2	(10.7)
	Reference		
JPY/USD (average)	138	128	
JPY/EUR (average)	150	136	
Domestic naphtha (JPY 1,000/kl)	67	75	

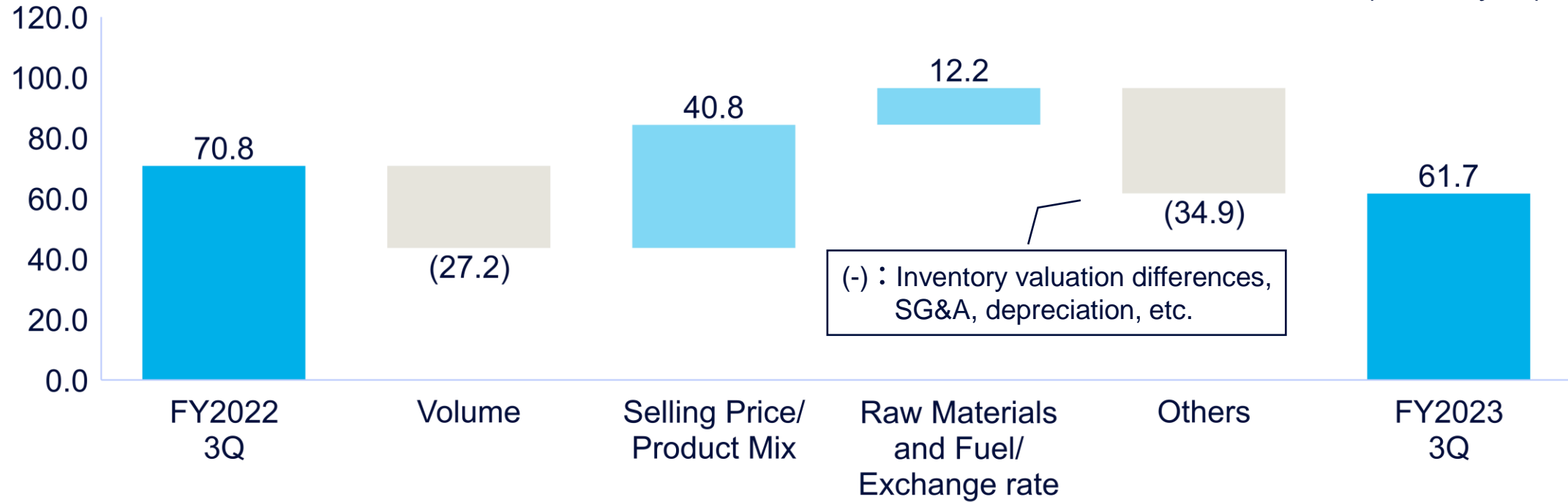
Net Sales and Operating Income by Segment

(Billion yen)

	FY2023 3Q Results		FY2022 3Q Results		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	302.8	63.8	285.6	59.0	17.1	4.8
Isoprene	46.8	(4.1)	48.7	4.1	(1.9)	(8.2)
Functional Materials	139.6	8.1	123.7	6.5	15.9	1.6
Fibers & Textiles	44.9	1.7	48.6	6.6	(3.7)	(4.8)
Trading	44.8	3.7	43.8	3.9	1.0	(0.2)
Others	34.0	0.6	37.6	1.9	(3.6)	(1.4)
Elimination & Corporate	(38.6)	(12.2)	(35.0)	(11.2)	(3.6)	(1.0)
Total	574.4	61.7	553.2	70.8	21.2	(9.1)

Factors Affecting the Change in Operating Income

(Billion yen)

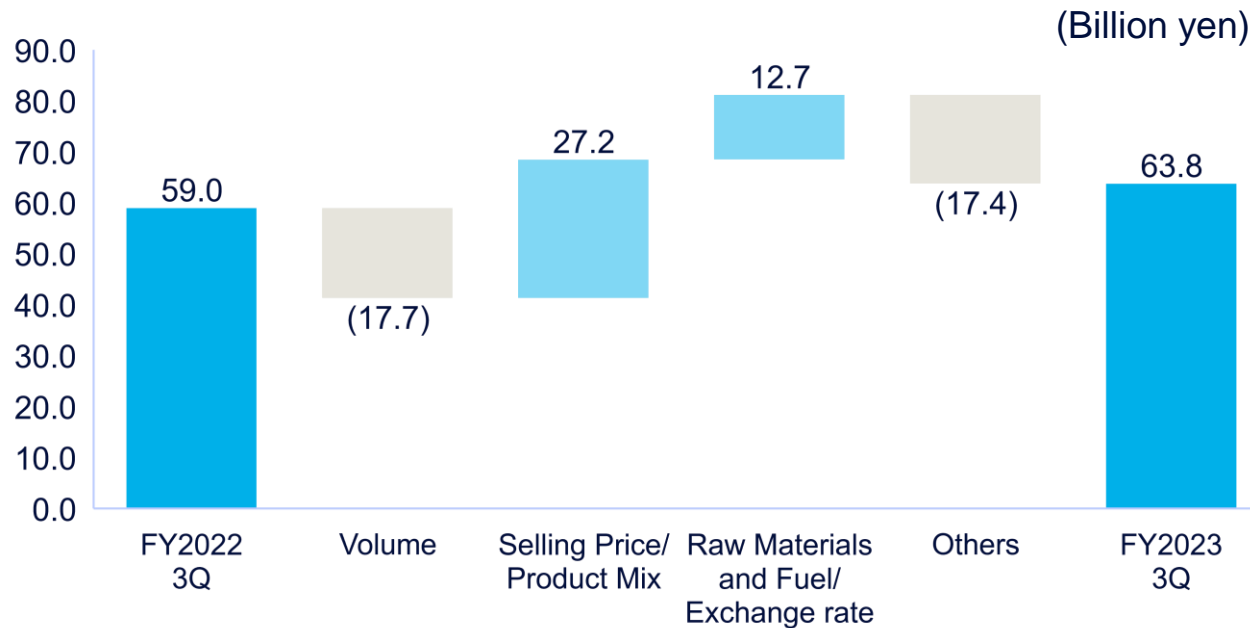


	FY2022 3Q	FY2023 3Q
JPY/USD (average)	128	138
JPY/EUR (average)	136	150
Domestic naphtha (JPY 1,000/kl)	75	67

(Billion yen)

	FY2022 3Q	FY2023 3Q	Difference
Net Sales	285.6	302.8	17.1
Operating Income	59.0	63.8	4.8

【Factors Affecting the Change in Operating Income】



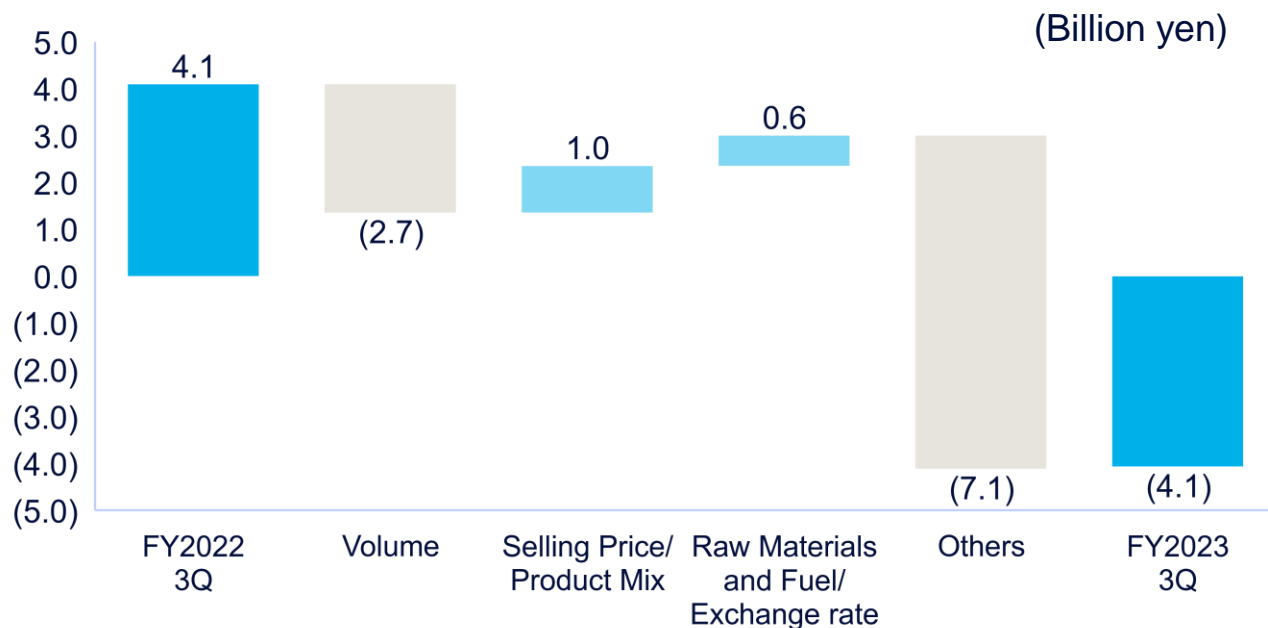
PVOH resin	The sales volume was impacted by receding global demand, but we further promoted a shift to high value-added products.
Optical-use poval film	Shipments recovered favorably due to inventory adjustments for LCD panels returning to normal.
Water-soluble PVOH film MonoSol	Shipments decreased mainly for use in unit dose detergent packets in Europe due to inflation-driven belt tightening and other effects.
Advanced Interlayer Solutions	Although demand for PVB film showed signs of receding for construction applications, demand for automotive applications remained firm.
EVAL™	Although sales for automotive applications remained firm, sales volume decreased due to weak sales for food packaging applications.

Main reason of increase/decrease	Despite the impact of lower volume and inventory valuation differences in many businesses, segment income increased overall due to a recovery in optical-use poval film and a shift to high value-added products.
---	---

(Billion yen)

	FY2022 3Q	FY2023 3Q	Difference
Net Sales	48.7	46.8	(1.9)
Operating Income	4.1	(4.1)	(8.2)

【Factors Affecting the Change in Operating Income】



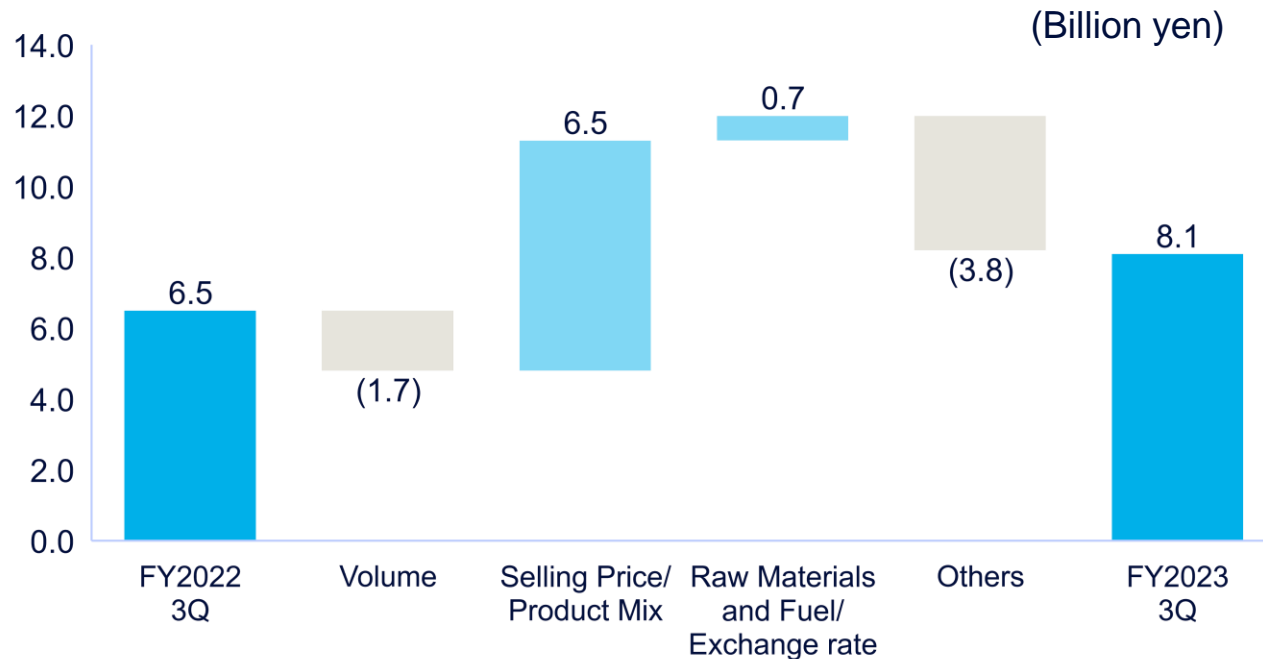
Isoprene Chemicals and Elastomers	Results were affected by intensifying competition in addition to lower demand, which began in the latter half of the previous year.
GENESTAR™	The sales volume decreased due to inventory adjustments for electric and electronic devices despite demand for automobile applications being on a recovery track.

Main reason of increase/decrease	Income decreased due to a decline in demand, an increase in depreciation and expenses at the Thai plant that started operations, and the impact of inventory adjustments in electrical and electronic devices.
---	--

(Billion yen)

	FY2022 3Q	FY2023 3Q	Difference
Net Sales	123.7	139.6	15.9
Operating Income	6.5	8.1	1.6

【Factors Affecting the Change in Operating Income】

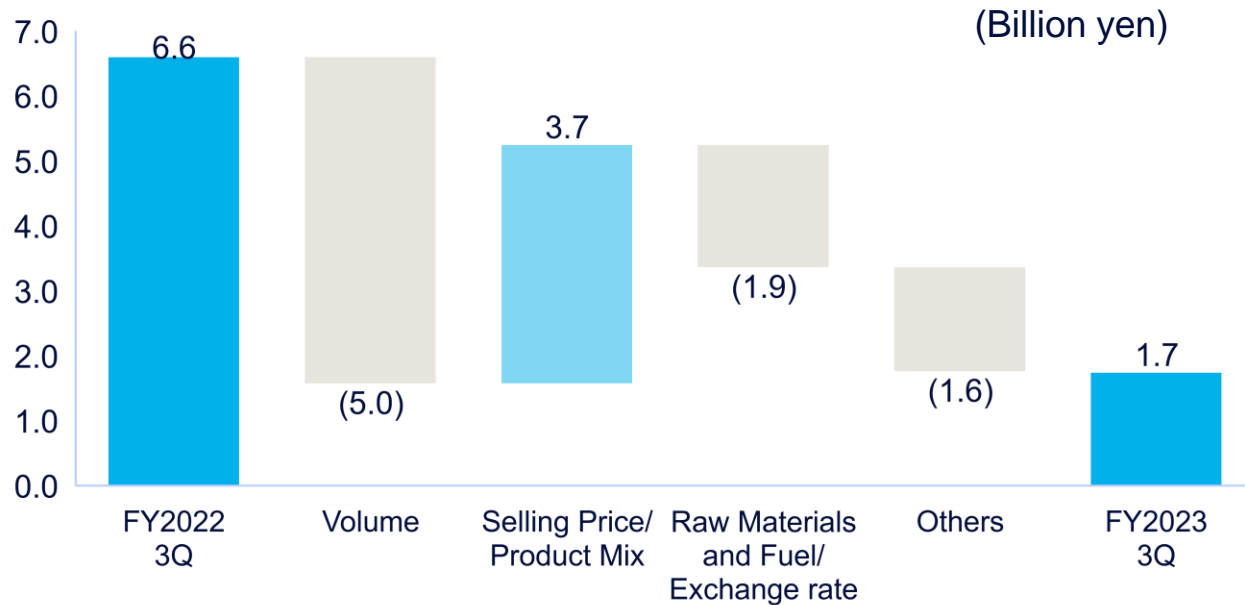


Methacrylate	Results were affected by higher raw material and fuel prices in addition to a decrease in sales volume due in part to inventory adjustments for electric and electronic devices.
Medical	Sales of cosmetic dental materials, mainly in Europe and the United States, remained favorable.
Environmental Solutions	Demand increased for drinking water and industrial applications in North America, and sales of activated carbon remained steady.
Main reason of increase/decrease	Increase in profit due to progress in price revisions and improved sales mix offset the impact of higher expenses and inventory valuation differences.

(Billion yen)

	FY2022 3Q	FY2023 3Q	Difference
Net Sales	48.6	44.9	(3.7)
Operating Income	6.6	1.7	(4.8)

【Factors Affecting the Change in Operating Income】



CLARINO™	Shipments decreased due to the effects of lower demand for luxury applications despite signs of a recovery in sports applications.
Fibers and Industrial Materials	Sales of KURALON™ were weak in Europe, but sales of VECTRAN™ remained stable.
Consumer Goods and Materials	Demand for KURAFLEX™ in the restaurant industry was weak.
Main reason of increase/decrease	Despite progress in price revisions, shipments decreased due to sluggish demand caused by the economic slowdown.

(Billion yen)

	Sep. 30, 2023	Dec. 31, 2022	Difference
Current Assets	547.0	533.9	13.1
Non-current Assets	724.6	687.6	37.0
Total Assets	1,271.6	1,221.5	50.0

	Sep. 30, 2023	Dec. 31, 2022
JPY/USD (end of period)	150	133
JPY/EUR (end of period)	158	141

(Billion yen)

	Sep. 30, 2023	Dec. 31, 2022	Difference
Current Liabilities	198.3	221.3	(23.0)
Non-current Liabilities	318.7	331.7	(13.0)
Total Liabilities	517.0	553.0	(36.0)
Net Assets	754.6	668.5	86.1
Total Liabilities and Net Assets	1,271.6	1,221.5	50.0
Equity Ratio	57.6%	52.9%	4.6%
	Sep. 30, 2023	Dec. 31, 2022	
JPY/USD (end of period)	150	133	
JPY/EUR (end of period)	158	141	

(Billion yen)

	FY2023 Forecasts (Nov. 9, 2023)	FY2022	Difference	FY2023 Forecasts (Aug. 9, 2023)	Difference
Net Sales	770.0	756.4	13.6	810.0	(40.0)
Operating Income	78.0	87.1	(9.1)	84.0	(6.0)
Ordinary Income	73.0	84.1	(11.1)	79.0	(6.0)
Net Income Attributable to Owners of the Parent	45.0	54.3	(9.3)	47.0	(2.0)

<Reference>

JPY/USD (average)	140	132		138
JPY/EUR (average)	151	138		148
Domestic naphtha (JPY 1,000/kl)	68	75		66

Net Sales and Operating Income by Segment

(Billion yen)

	FY2023 Forecasts (Nov. 9, 2023)		FY2022		Difference		FY2023 Forecasts (Aug. 9, 2023)		Difference	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Vinyl Acetate	406.0	84.0	385.3	77.5	20.7	6.5	420.0	85.0	(14.0)	(1.0)
Isoprene	62.0	(9.0)	65.6	4.3	(3.6)	(13.3)	70.0	(7.0)	(8.0)	(2.0)
Functional Materials	190.0	10.0	174.1	8.6	16.0	1.4	196.0	10.5	(6.0)	(0.5)
Fibers & Textiles	61.0	2.5	66.9	6.7	(5.9)	(4.2)	68.0	3.5	(7.0)	(1.0)
Trading	61.0	5.0	58.8	5.1	2.2	(0.1)	62.0	5.0	(1.0)	0.0
Others	42.0	0.5	52.1	2.7	(10.1)	(2.2)	44.0	1.0	(2.0)	(0.5)
Elimination & Corporate	(52.0)	(15.0)	(46.4)	(17.8)	(5.6)	2.8	(50.0)	(14.0)	(2.0)	(1.0)
Total	770.0	78.0	756.4	87.1	13.6	(9.1)	810.0	84.0	(40.0)	(6.0)

【Ref.】 Quarterly Net Sales by Segments

(Billion yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	86.2	99.3	100.2	99.7	385.3	97.8	101.1	103.9	103.2	406.0
Isoprene	15.4	16.5	16.8	16.9	65.6	15.8	16.0	15.0	15.2	62.0
Functional Materials	38.0	39.8	45.9	50.3	174.1	45.4	48.0	46.3	50.4	190.0
Fibers & Textiles	14.4	17.4	16.8	18.2	66.9	13.5	16.6	14.8	16.1	61.0
Trading	14.0	15.8	14.1	15.1	58.8	13.8	15.2	15.8	16.2	61.0
Others	10.7	13.0	14.0	14.4	52.1	11.3	11.5	11.1	8.0	42.0
Elimination & Corporate	(11.0)	(11.2)	(12.7)	(11.4)	(46.4)	(12.7)	(12.4)	(13.5)	(13.4)	(52.0)
Total	167.6	190.5	195.1	203.2	756.4	185.0	196.0	193.4	195.6	770.0

【Ref.】 Quarterly Operating Income by Segments

(Billion yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q (Forecast)	FY (Forecast)
Vinyl Acetate	17.2	16.4	25.4	18.6	77.5	17.8	22.4	23.5	20.2	84.0
Isoprene	2.7	(0.2)	1.7	0.1	4.3	0.2	(2.9)	(1.4)	(4.9)	(9.0)
Functional Materials	2.2	1.1	3.2	2.1	8.6	3.5	2.3	2.4	1.9	10.0
Fibers & Textiles	1.6	2.2	2.8	0.2	6.7	0.2	0.4	1.1	0.8	2.5
Trading	1.3	1.5	1.1	1.2	5.1	1.1	1.2	1.4	1.3	5.0
Others	0.4	0.8	0.7	0.7	2.7	0.1	0.5	0.0	(0.1)	0.5
Elimination & Corporate	(3.3)	(5.8)	(2.1)	(6.6)	(17.8)	(1.6)	(4.2)	(6.3)	(2.8)	(15.0)
Total	22.1	15.9	32.8	16.3	87.1	21.3	19.6	20.7	16.3	78.0

kuraray

Possible starts here

-
- 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.