



KANEKA

The Dreamology Company
—Make your dreams come true—

Financial Summary

Fiscal Year Ended June 30, 2024

August 8, 2024

KANEKA CORPORATION



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Forecasts of the operating results and other statements contained in this document are forward-looking statements, which are rationally determined based on information currently available to the Company. For a variety of reasons, actual performance may differ substantially from these projections. They do not constitute a guarantee that the Company will achieve these forecasts or any other forward-looking statements.

Highlights

	FY2023 1Q (Apr.-Jun.)	FY2024 1Q (Apr.-Jun.)	(Billions of yen)	
			Difference (YoY)	
			Amount	%
Net sales	182.7	198.4	15.6	8.6%
Operating income	5.6	10.3	4.7	83.4%
Ordinary income	6.7	10.1	3.5	52.0%
Net income attributable to owners of parent	4.2	7.0	2.8	65.8%
Operating income margin	3.1%	5.2%		
Net income per share	¥65.35	¥110.38		
Exchange rate (to USD)	¥137.5	¥155.9		
Exchange rate (to EURO)	¥149.6	¥167.9		
Domestic Naptha Price (per kl)	¥67,500	¥79,500		

State of the Global Economy - Ongoing standstill without a clear direction, in spite of signs of recovery -

- Despite a moderate recovery trend due to easing inflationary pressure around the world, the pace of recovery remained slow.
- With no signs of subsidence of geopolitical risks, such as prolonged conflicts and unstable global political situation, the global economy remains lacking in a clear direction.

Kaneka Group's Business Performance

- Sales and profits increased, getting off a solid start with continued recovery momentum -

- Sales and profits increased in all segments.
- Demand in Material and QoL SU has been recovering. Leading-edge businesses are experiencing steady growth in earnings.
- Life Science businesses are on a growth track, resulting in steady portfolio transformation.

Business Performance by Segment

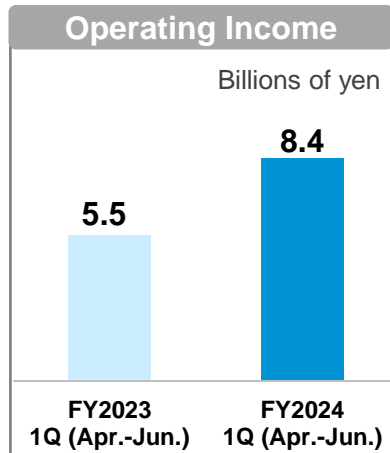
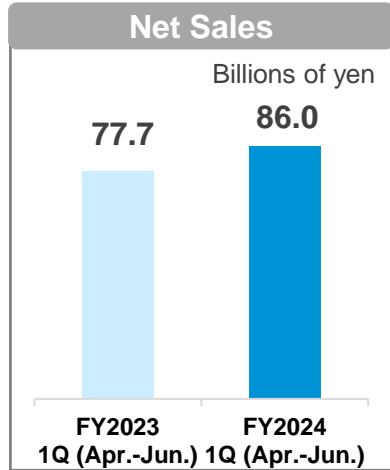
(Billions of yen)

	Net Sales						
	FY2023				FY2024	Difference(YoY)	
	1Q	2Q	3Q	4Q	1Q	Amount	%
Material SU	77.7	78.8	81.4	85.0	86.0	8.4	10.8%
Quality of Life SU	40.9	43.9	46.6	44.8	45.1	4.2	10.2%
Health Care SU	17.7	18.4	17.2	21.5	18.4	0.6	3.5%
Nutrition SU	46.0	46.0	49.0	46.1	48.7	2.6	5.7%
Others	0.4	0.2	0.3	0.3	0.2	(0.2)	(44.1%)
Total	182.7	187.4	194.6	197.6	198.4	15.6	8.6%

	Operating Income						
	FY2023				FY2024	Difference (YoY)	
	1Q	2Q	3Q	4Q	1Q	Amount	%
Material SU	5.5	6.6	7.0	8.4	8.4	2.9	52.0%
Quality of Life SU	2.9	4.2	4.7	3.6	4.3	1.3	44.8%
Health Care SU	3.0	2.9	2.5	4.6	3.0	0.0	0.9%
Nutrition SU	2.3	2.3	3.8	3.7	3.9	1.6	71.4%
Others	0.3	0.1	0.2	0.1	0.1	(0.2)	(61.3%)
Adjustment	(8.4)	(9.1)	(9.1)	(9.4)	(9.4)	(1.0)	-
Total	5.6	7.0	9.0	11.0	10.3	4.7	83.4%

※SU : Solutions Unit

Performance



(Material Solutions Unit)

Increased sales and profits in all Solutions Vehicles due to a moderate recovery in demand in Europe, the U.S., and Asia.

Vinyls and Chlor-Alkali

- Vinyls and Chlor Alkali: Demand currently on a recovery track despite sluggish markets conditions in Asia.
- Making ongoing efforts to improve profit margin with a price revision for PVC in Japan.

Performance Polymers (MOD)

- Demand recovered at all locations. Cost reduction efforts also contributed to business performance.
- With steady sales expansion of products for non-PVC use and epoxy masterbatch (MX), we will accelerate a shift to high-value-added products.

Performance Polymers (MS)

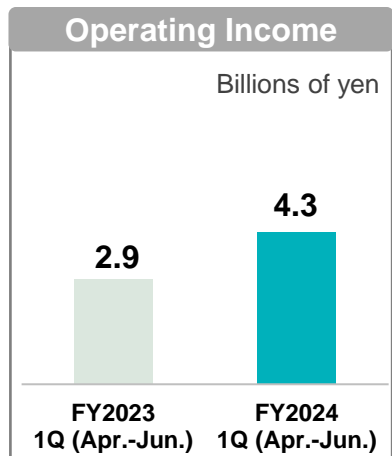
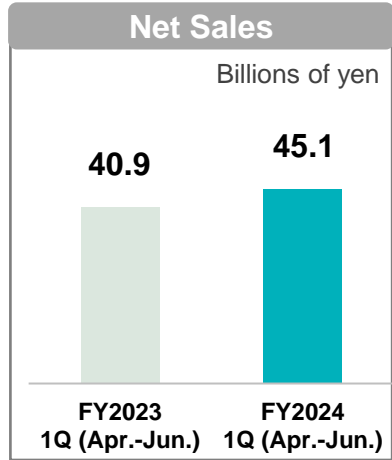
- Sales expanded solidly by taking advantage of unique functional characteristics.
- Will focus on expanding sales in new applications and new regions from 2Q*, leveraging increased production capacity of the facilities in Belgium.

Green Planet

- Progress has been made in collaboration with major brand holders around the world (increase in new product adoption such as a foam cushioning material etc.).
- Interest in Green Planet is growing with the tightening of environmental regulations across the globe.
- Will steadily proceed with the launch of a demonstration plant for the mass production of Green Planet.

*2Q: July 1 to September 30, 2024

Performance



(Quality of Life Solutions Unit)

Increased both sales and profits as a unit with E & I seeing recovery in demand for smartphones while Foam being affected by production adjustments in the automobile sector.

Foam & Residential Techs

- Production adjustments in the automobile sectors as well as slumping demand in the agricultural and fishery and construction sectors.
- Will continue working to improve profit margin by securing demand, revising prices, and reducing costs.

E & I Technology

- Shipments of both polyimide films and acrylic resins increased significantly due to increased production of smartphones and large-screen TVs.
- The number of items adopting Pixeo™ for high frequency applications has increased with the increased use of 5G smartphones.

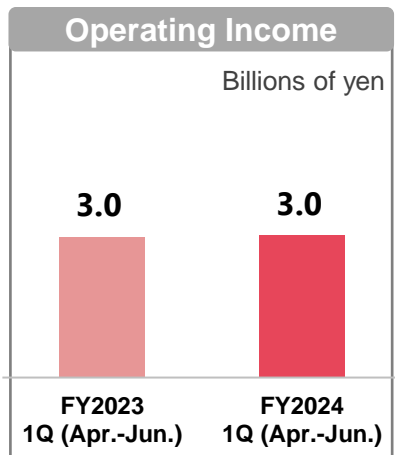
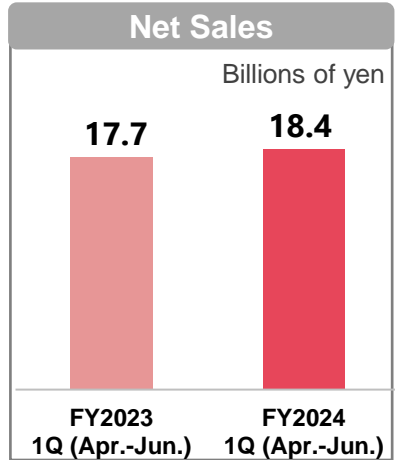
PV & Energy management

- Sales of high-efficiency photovoltaic modules for residential use remained firm.
- Growing demand for ZEB (zero-energy building) and progress made in introducing next-generation photovoltaic module (perovskite).

Performance Fibers

- Currency depreciation and high inflation in African countries continue. Therefore demand for hair accessory products recovery delayed.
- Will work to further stimulate demand by expanding sales to untapped regions in Africa and accelerating the introduction of new high-performance products.

Performance



(Health Care Solutions Unit)

Both sales and profits increased. Medical business showed solid business performance, while Pharma business was adversely affected by demand fluctuations.

Medical

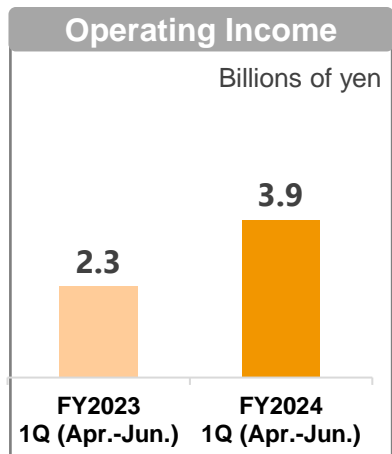
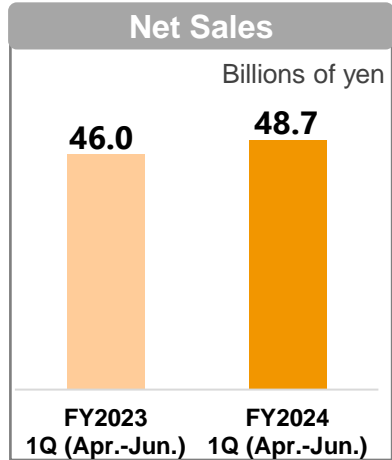
- Sales of both blood purification devices and catheters have been expanding steadily.
- New production facility for blood purification devices in Hokkaido to start its operations in August this year, expected to contribute to increasing demand in and outside Japan from 2H*.
- Will launch new catheters products and consider constructing a new production facility.

Pharma

- Steady progress has been made in projects for newly developed products, despite being affected by a demand change in some customers.
- Currently working to enhance the framework of R&D bases and strengthening business foundation to prepare for the expansion of demand for therapeutics for genetics diseases and cancer.

*2H: October 1, 2024 to March 31, 2025

Performance



(Nutrition Solutions Unit)

Substantial increases in both sales and profits owing to the continued strong performance of Supplemental Nutrition and Foods.

Supplemental Nutrition

- Coenzyme Q10: Sales in the U.S. and Europe remained firm, and have grown in Asia and Oceania as well. Will focus on expanding markets in and outside Japan by developing and introducing new products.
- Probiotics business: Sales in the Americas are favorable. Will push forward with its business expansion on a global scale.

Foods & Agris

- Profitability improved with a great contribution from further progress in the sales shift to high-value-added products as well as in the improvement of profit margin.
- Business to Consumer businesses: Focusing on the introduction and sales expansion of unique and distinctive high-value-added products such as “Watashi no Chikara (My Energy)TM - Q10 Yogurt” and “Kaneka Q10TM Fruit Gummies.”

Consolidated Balance Sheets

(Billions of yen)

		March 31, 2024	June 30, 2024	Difference
Assets	Current assets	428.9	435.7	6.9
	Noncurrent assets	441.3	450.5	9.2
Total assets		870.2	886.2	16.0
Liabilities	Interest bearing debt	174.8	187.4	12.5
	Others	221.0	217.5	(3.5)
	Total liabilities	395.8	404.8	9.0
Net assets	Equity *	453.5	459.9	6.4
	Others	20.9	21.5	0.6
	Total net assets	474.4	481.4	7.0
Total liabilities and net assets		870.2	886.2	16.0
Equity ratio		52.1%	51.9%	
Debt equity ratio		0.39	0.41	
Net assets per share		¥7,068.91	¥7,310.35	

* Equity : Net assets less Noncontrolling interests and Subscription rights to shares

- Total assets increased due to an increase in inventories and an increase in overseas group companies' assets denominated in yen resulting from the weakening of the yen.
- Liabilities increased, primarily reflecting an increase in loans payable.
- Net assets increased owing chiefly to an increase in foreign currency translation adjustments resulting from the weakening of the yen, and an increase in valuation difference on available-for-sale securities due to an increase in the fair value of shares held.
- Equity ratio was 51.9%

Consolidated Business Forecasts

- QoL SU: While Fiber is facing a delayed recovery in demand, it maintains stable performance. New demand for smartphones is expanding and profit margin for Foam is also improving. Thus, we expect earnings in this unit to expand.
- Material SU: Although sluggish construction demand in Europe and the U.S., and market conditions in Asia are expected to continue, sales of new products in MOD and MS have been increasing and profit margin improving.
- Health Care SU: We are planning to introduce new products in Medical and increase sales from new projects in Pharma toward 2H*.
- We will further accelerate our company-wide portfolio transformation to improve our profitability.
- We have not revised the forecast for consolidated financial results announced on May 14, 2024.

<Reference> Forecast for consolidated financial results for the year ending March 31, 2025 (announced on May 14, 2024)

	FY2023 Result	FY2024 Forecast	(Billions of yen) Difference	
			Amount	%
Net sales	762.3	790.0	27.7	3.6%
Operating income	32.6	38.0	5.4	16.6%
Ordinary income	29.2	34.0	4.8	16.3%
Net income attributable to owners of parent	23.2	24.5	1.3	5.5%
Operating income margin	4.3%	4.8%		
Net income per share	¥357.90	¥388.18		
ROE	5.3%	5.4%		
Exchange rate (to USD)	¥144.6	¥140.0		
Exchange rate (to EURO)	¥156.8	¥155.0		
Domestic Naptha Price (per kl)	¥69,225	¥65,000		

*2H: October 1, 2024 to March 31, 2025

The List of Kaneka Business Unit Abbreviations



KANEKA CORPORATION
<https://www.kaneka.co.jp/en/>