



KANEKA

The Dreamology Company
—Make your dreams come true—

Financial Summary

Fiscal Year Ended December 31, 2024

February 13, 2025

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.

Summary

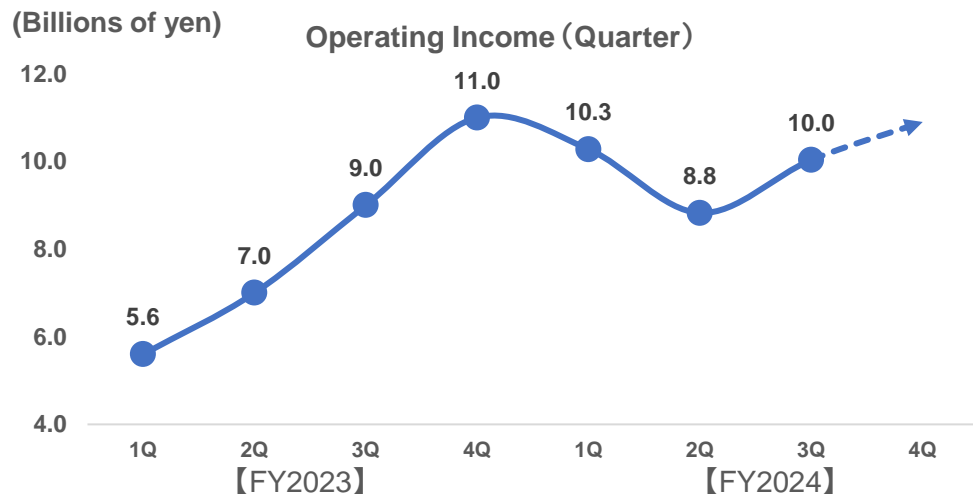
Apr.-Dec. 2024 Results

Net sales
¥603.0 billion
(YoY+6.8%)

Operating income
¥29.1 billion
(YoY+34.8%)

Net income
¥17.7 billion
(YoY+32.0%)

- **Net sales and operating increased** year on year in all segments
- Quarterly operating income returned to **the ¥10 billion mark**



FY2024 Forecast

Net sales
¥800.0 billion
(YoY+4.9%)

Operating income
¥40.0 billion
(YoY+22.8%)

Net income
¥25.0 billion
(YoY+7.7%)

- **Operating income forecast revised upward**

Shareholder returns

- Annual dividend per share: **Increased dividend**
Initial plan 120yen/share ⇒ **130yen/share**
- Planning to implement “**Progressive dividend policy**” (Period: Covered by the next management plan/ FY2025~2027)

Highlights

- Net sales: **Record high** for both a quarter and a 1-3Q
- *Key indicators: **Up 30%** year-on-year

(Billions of yen)

	FY2023 1-3Q (Apr.-Dec.)	FY2024 1-3Q (Apr.-Dec.)	Difference (YoY)	
			Amount	%
Net sales	564.7	603.0	38.3	6.8%
Operating income	21.6	29.1	7.5	34.8%
Ordinary income	19.4	26.1	6.7	34.7%
Net income attributable to owners of parent	13.4	17.7	4.3	32.0%
Operating income margin	3.8%	4.8%		
Net income per share	¥207.04	¥280.67		
Exchange rate (to USD)	¥143.3	¥152.6		
Exchange rate (to EURO)	¥155.3	¥164.9		
Domestic Naptha Price (per kl)	¥68,400	¥76,633		

*Key indicators: operating income, ordinary income, net income attributable to owners of parent

Business Performance by Segment

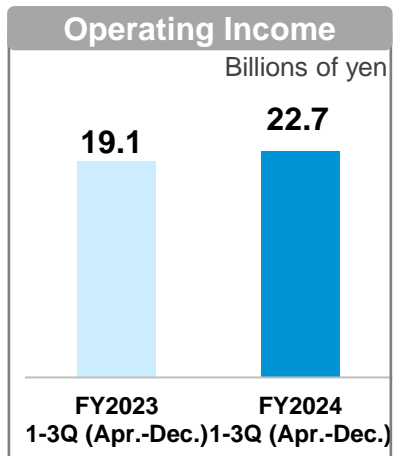
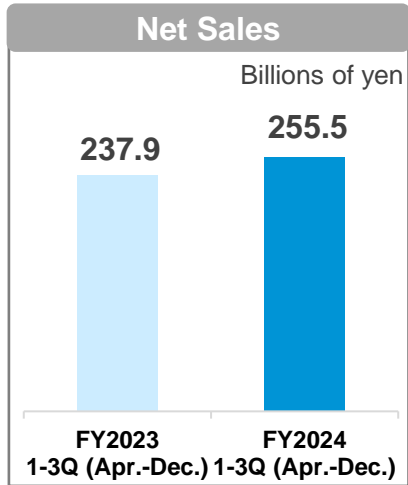
➤ **Sales and profits increased** in all segments

(Billions of yen)

	Net sales				Operating income			
	FY2023 1Q-3Q(Apr.-Dec.)	FY2024 1Q-3Q(Apr.-Dec.)	Difference		FY2023 1Q-3Q(Apr.-Dec.)	FY2024 1Q-3Q(Apr.-Dec.)	Difference	
			Amount	%			Amount	%
Material SU	237.9	255.5	17.6	7.4%	19.1	22.7	3.6	18.9%
Quality of Life SU	131.4	144.3	12.9	9.8%	11.8	15.7	3.9	33.6%
Health Care SU	53.4	55.4	2.0	3.8%	8.3	8.7	0.4	4.5%
Nutrition SU	141.1	147.1	6.0	4.3%	8.4	10.1	1.7	20.8%
Others	0.9	0.7	(0.2)	(21.2%)	0.5	0.3	(0.2)	(38.6%)
ent	-	-	-	-	(26.5)	(28.5)	(1.9)	-
Total	564.7	603.0	38.3	6.8%	21.6	29.1	7.5	34.8%

※SU: Solutions Unit

Performance



Main factors for increase/decrease in operating income

- MOD/MS: Demand recovery (+)
- MOD: Improved profit margin (+)
- Higher transportation cost (-)

(Material Solutions Unit)

Strong competitiveness shown by MOD and MS ⇒ Increased sales and profits

Vinyls and Chlor-Alkali

YoY **Decrease in operating income**

- Performance in *3Q: Price revision for PVC in Japan progressed. Downturn in PVC market in Asia.
- Outlook for *4Q: Sales volume to recover.

Performance Polymers (MOD)

YoY **Increase in operating income**

- Performance in 3Q: Strong competitiveness maintained. Sales expansion of high-value-added products for non-PVC use and epoxy masterbatch (MX).
- Outlook for 4Q: Sales expansion in the global market.

Performance Polymers (MS)

YoY **Increase in operating income**

- Performance in 3Q: Robust sales at all locations, especially in Europe. Facilities in Belgium with increased production capacity contributed to the strong performance.
- Outlook for 4Q: Same level as 1H* to be maintained.

Green Planet

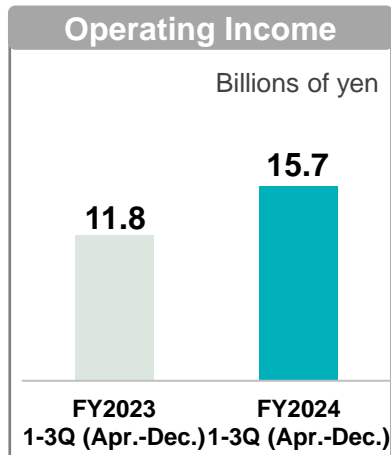
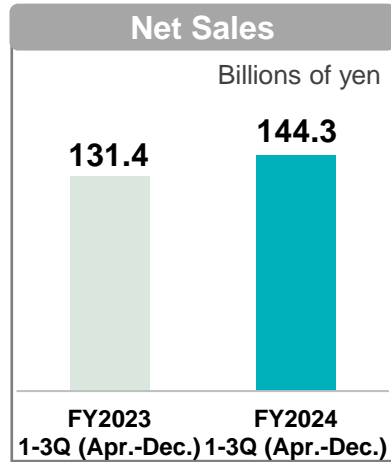
- Performance in 3Q: Expansion of product adoption by major brand holders (Starbucks Coffee Japan straw etc.).
- Outlook for 4Q: Accelerating efforts to achieve large-scale production adoption in the global market.

*3Q: October 1 to December 31, 2024

*4Q: January 1 to March 31, 2025

*1H: April 1 to September 30, 2024

Performance



Main factors for increase/decrease in operating income

- E&I: Demand recovery for smartphones and TVs (+)
- Foam: Price revision (+)
- Foam/Fiber: Higher raw material prices (-)
- Higher transportation cost (-)

(Quality of Life Solutions Unit)

Continued high earnings by E&I ⇒ driving significant increases in both sales and profits in SU
Profitability recovery progressing in Foam and Fiber

Foam & Residential Techs

YoY **Decrease in operating income**

- Performance in 3Q: Price revision progressed (offset continued effects by higher raw material prices).
- Outlook for 4Q: Adjustment of sales volume due to seasonal factors despite price revision.

E & I Technology

YoY **Increase in operating income**

- Performance in 3Q: High level of sales of polyimide films and acrylic resins maintained.
- Outlook for 4Q: Solid demand for smartphone and TVs to continue.

PV & Energy management

YoY **Increase in operating income**

- Performance in 3Q: Solid sales of high-efficiency photovoltaic modules for residential use.
- Outlook for 4Q: Increased sales of products for zero-energy building (ZEB) and step up research and development of perovskite → Expansion and enhancement of the lineup of high-value-added products.

Performance Fibers

YoY **Increase in operating income**

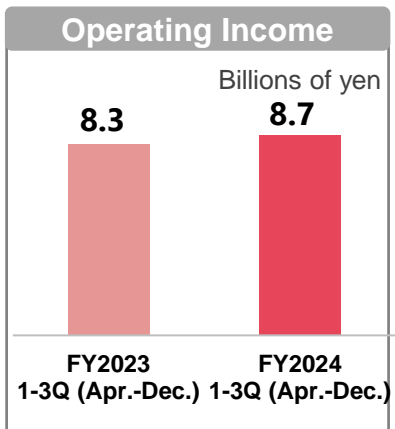
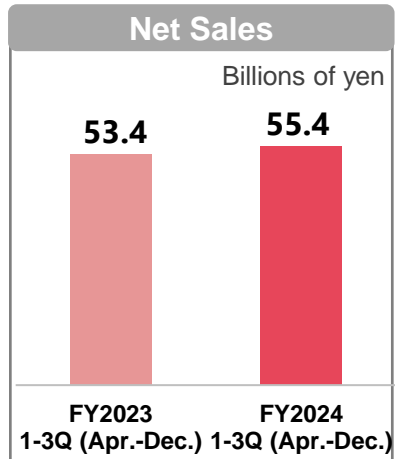
- Performance in 3Q: Steady recovery in the sales of hair attachment products by expanding sales area and creating demand by launching new products.
- Outlook for 4Q: Expand the market in the flame-retardant fabric sector.

*3Q: October 1 to December 31, 2024

*4Q: January 1 to March 31, 2025

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Performance



Main factors for increase/decrease in operating income

- Medical: Sales expansion of new products (+)
- Pharma: Shipment adjustment by customers (-)
- Global sales expansion/ Running cost of operation of Tomatch Manufacturing Site (-)

(Health Care Solutions Unit)

Increased earnings due to sales growth in Medical ⇒ Increases in both sales and profits
Sales in Pharma expected to recover in 4Q

Medical

YoY **Increase in operating income**

- Performance in 3Q: Significant sales expansion of new catheter products.

Strong sales of blood purification.

A new plant for blood purification devices in Hokkaido (Tomatch Manufacturing Site) started contributing to profitability.

Acquired an Israeli medical device company as our new subsidiary.

⇒ Expand the product portfolio in the field of cerebrovascular treatment.

- Outlook for 4Q: Strong sales of both blood purification devices and catheter to continue.

Pharma

YoY **Decrease in operating income**

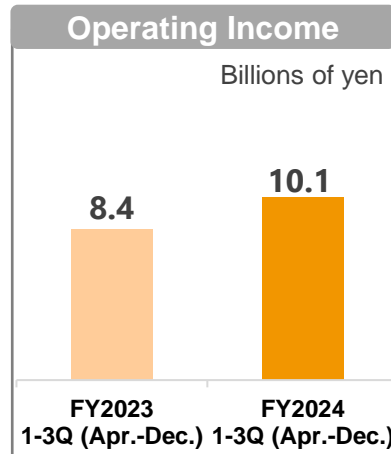
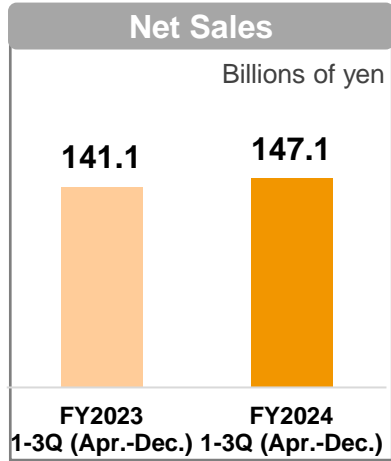
- Performance in 3Q: Remaining adverse impact of the postponement of some shipments to 4Q. Sales are on a recovery track.
- Outlook for 4Q: Concentration of both small molecule pharmaceuticals and biopharmaceuticals projects.

*3Q: October 1 to December 31, 2024

*4Q: January 1 to March 31, 2025

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Performance



Main factors for increase/decrease in operating income

- Inventory adjustments of Q10 resolved (+)
- Foods: Improved profit margin (+)
- Promotion of sales (-)

(Nutrition Solutions Unit)

Continued solid performance of both Supplement and Foods
⇒ Significant increases in sales and profits

Supplemental Nutrition

YoY **Increase in operating income**

- Performance in 3Q: Strong sales as Inventory adjustments of the active form of coenzyme Q10 by customers in the U.S. ended.
- Outlook for 4Q: Sales of the active form of coenzyme Q10 and probiotics expected to increase in global markets.

Foods & Agris

YoY **Increase in operating income**

- Performance in 3Q: Further progress made in shifting to high-value-added products and improving profit margin. “Business to Consumer” business ⇒ Accelerate the expansion of the product line-up. (“*Watashi no Chikara* (My Energy) – Q10 Yogurt”, “Kaneka Q10 Fruit Gummies”, and organic dairy products, etc.)
- Outlook for 4Q: Continued solid performance. Work on the promotion of the e-commerce sales of “Business to Consumer” products.

*3Q: October 1 to December 31, 2024

*4Q: January 1 to March 31, 2025

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Business Performance by Segment (Quarter-on-Quarter)

(Billions of yen)

	Net Sales				Operating Income			
	FY2024		Difference(QoQ)		FY2024		Difference (QoQ)	
	2Q	3Q	Amount	%	2Q	3Q	Amount	%
Material SU	83.9	85.6	1.7	2.1%	7.7	6.7	(1.0)	(13.4%)
Quality of Life SU	48.4	50.9	2.5	5.2%	5.3	6.1	0.9	16.1%
Health Care SU	18.0	19.0	1.0	5.7%	2.5	3.3	0.8	33.6%
Nutrition SU	47.1	51.3	4.1	8.8%	2.5	3.7	1.2	45.2%
Others	0.2	0.3	0.1	42.4%	0.1	0.2	0.1	131.2%
Adjustment	-	-	-	-	(9.2)	(9.9)	(0.7)	-
Total	197.6	207.1	9.5	4.8%	8.8	10.0	1.2	13.7%

※SU : Solutions Unit

Factors for difference in operating income

- Material : Inventory adjustments by some customers (seasonal factor) in MOD and MS.
Continued downturn in PVC market conditions in Asia.
- QoL : Improved profit margin by price revision in Foam. Peak ended mainly for the U.S. market while steady Chinese smartphones in E&I.
- Health Care : Sales expansion of new products in Medical. Recovery trend in Pharma despite weak demand for both small molecule pharmaceuticals and biopharmaceuticals.
- Nutrition : Higher sales volume due to seasonal incline in demand in Foods. Inventory adjustments of the active form of coenzyme Q10 by customers in the U.S. ended.

Consolidated Balance Sheets

(Billions of yen)

		March 31, 2024	December 31, 2024	Difference
Assets	Current assets	428.9	445.9	17.0
	Noncurrent assets	441.3	462.7	21.4
Total assets		870.2	908.6	38.4
Liabilities	Interest bearing debt	174.8	202.8	28.0
	Others	221.0	221.3	0.3
	Total liabilities	395.8	424.1	28.3
Net assets	Equity *	453.5	463.6	10.1
	Others	20.9	20.9	(0.0)
	Total net assets	474.4	484.5	10.1
Total liabilities and net assets		870.2	908.6	38.4
Equity ratio		52.1%	51.0%	
Debt equity ratio		0.39	0.44	
Net assets per share		¥7,068.91	¥7,366.43	

- Total assets :Up due to, on top of an increase in inventories, an increase in noncurrent assets owing to increased capital investment.
- Liabilities :Up primarily reflecting an increase in loans payable.
- Net assets : Increased owing chiefly to an increase in retained earnings, as well as to an increase in foreign currency translation adjustment resulting from the weakening of the yen.
- Equity ratio : 51.0%

Consolidated Business Forecasts

- Strong momentum which had remained strong since 1Q to continue
⇒ Profitability expected to recover and increase
- **Upward revision** to the forecast for consolidated financial results for the year ending March 31, 2025 announced on May 14, 2024

(Billions of yen)

	FY2023	FY2024		Difference	
	Result	Previous forecast (May. 14, 2024)	Revised forecast	Vs. previous year	Vs. previous forecast
Net sales	762.3	790.0	800.0	37.7	10.0
Operating income	32.6	38.0	40.0	7.4	2.0
Ordinary income	29.2	34.0	36.0	6.8	2.0
Net income attributable to owners of parent	23.2	24.5	25.0	1.8	0.5
Operating income margin	4.3%	4.8%	5.0%		
Net income per share	¥357.90	¥388.18	¥396.02		
Dividends per share	¥110	¥120	¥130		
ROE	5.3%	5.4%	5.4%		
Exchange rate (to USD)	¥144.6	¥140.0	¥154.0		
Exchange rate (to EURO)	¥156.8	¥155.0	¥163.0		
Domestic Naptha Price (per kl)	¥69,225	¥65,000	¥76,000		

Consolidated Business Forecasts by Segment

- ◆ Business forecasts by segment
 - Material : Sales expansion to new regions and new applications as well as improved profit margin, particularly for MOD and MS
 - QOL : Growing demand for AI-powered smartphones in E&I. Sales expansion of new products and extension of our channels to all over Africa in Fiber.
 - Health Care : Increased sales from large-scale projects for small molecule pharmaceuticals and biopharmaceuticals in Pharma. Further sales expansion of new catheter products in Medical.
 - Nutrition : Sales of the active form of coenzyme Q10 to increase in Supplement. Progress being made in shifting to high-value-added products in Foods, resulting in continued favorable performance.

(Billions of yen)

	Net Sales					Operating Income				
	FY2023	FY2024		Difference		FY2023	FY2024		Difference	
	Result	Previous forecast (May.14, 2024)	Revised forecast	Vs. previous year	Vs. previous forecast	Result	Previous forecast (May.14, 2024)	Revised forecast	Vs. previous year	Vs. previous forecast
Material SU	322.9	325.0	340.0	17.1	15.0	27.5	28.0	30.5	3.0	2.5
Quality of Life SU	176.2	187.0	185.0	8.8	(2.0)	15.4	17.5	19.8	4.4	2.3
Health Care SU	74.9	89.0	79.0	4.1	(10.0)	12.9	16.0	14.4	1.5	(1.6)
Nutrition SU	187.2	188.0	195.0	7.8	7.0	12.1	13.0	13.8	1.7	0.8
Others	1.2	1.0	1.0	(0.2)	-	0.7	0.5	0.4	(0.3)	(0.1)
Adjustment	-	-	-	-	-	(36.0)	(37.0)	(38.9)	(2.9)	(1.9)
Total	762.3	790.0	800.0	37.7	10.0	32.6	38.0	40.0	7.4	2.0

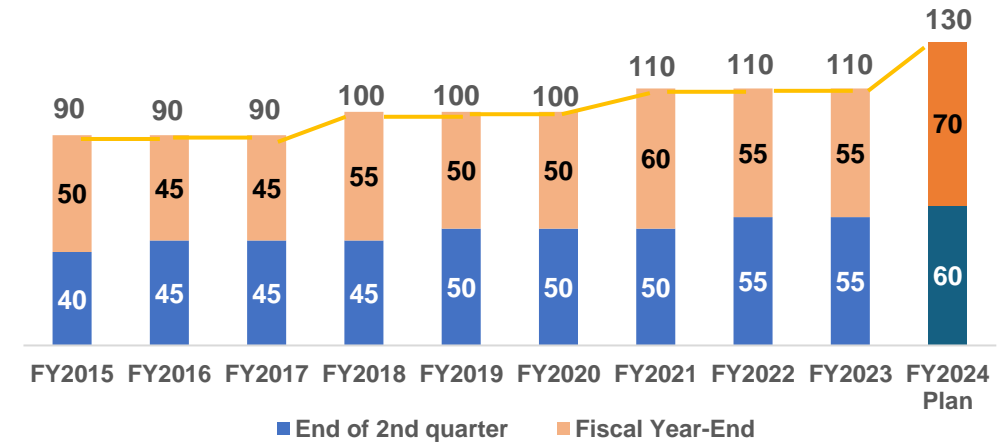
※SU: Solutions Unit

Shareholder Returns

【Plan】

- Annual dividend (**Increased dividend**)
Initial plan 120yen/share ⇒ **130yen/share**
- Shareholder returns policy
Planning to implement **Progressive dividend policy**
(Period: covered by the next management plan/ FY2025~2027)

Annual dividend per share (yen)



※The Company conducted a consolidation of shares of common stock at the ratio of five shares to one share on October 1, 2018.
※Dividends per share until FY2017 are calculated assuming the effects of the share consolidation.

(Reference)

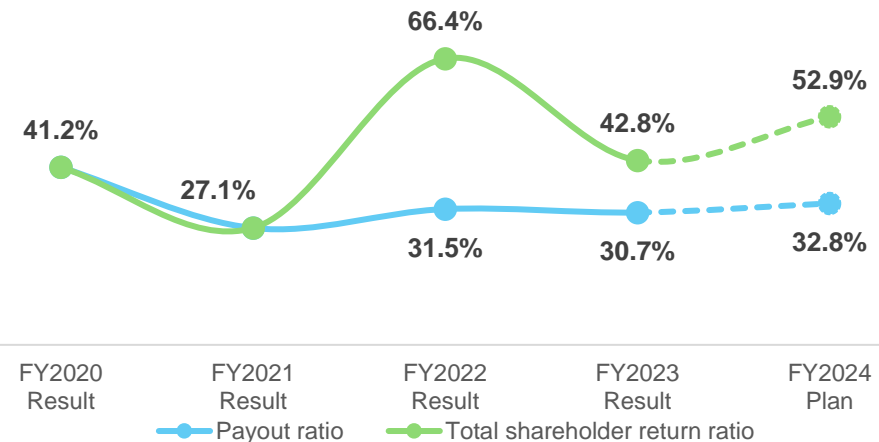
【Plan】

- Indicators for shareholder returns
Payout ratio **32.8%**/ Total shareholder return ratio **52.9%**
(Benchmark: Payout ratio 30% / Total shareholder returns ratio 40%)

【Performance】

- Completed repurchase of treasury shares (Apr. 2024 to Jun. 2024)
Repurchased 5.0 billions yen, 1.238 million shares

Progress of indicators for shareholder returns



Supplementary Information

Topics

Green Planet

Adopted for straws used at Starbucks Japan

- Will be introduced to stores nationwide
⇒ **Achieved both customer experience and reduced environmental impact**

【Schedule for introduction (regular straw)】

Okinawa Prefecture: January 23, 2025 (Firstly introduced)

Nationwide: From March 2025 onwards



Published educational comic manga for elementary school students

- Collaboration with Gakken
⇒ Donate 24,000 books to elementary schools, public libraries, and children's centers nationwide.
- Purpose is to deepen understanding of protection and recyclable use of marine resources
⇒ Introduction of the importance of SDGs contribution and development/initiatives of Green Planet



<Contents>

- Prologue What is biodegradable polymer?
- Chapter 1 Plastic waste spreading in ocean
- Chapter 2 Plastic is convenient
- Chapter 3 Research and development of Green Planet
- Chapter 4 Let them know!
- Epilogue Dreamology Company
"Make your dreams come true"

Topics -Expansion of Medical Businesses-

Medical

Acquired EndoStream Medical Ltd.

- Acquired 96.8% of shares of EndoStream Medical Ltd.
⇒ Manufacturer of innovative technologies in the field of cerebrovascular diseases
- Device for the treatment of cerebral “Nautilus™”
⇒ Can treat aneurysms with wide openings in cerebral blood vessels. Meet unmet medical needs

【Schedule for regulatory approval and launch】

Europe: Regulatory approval received in November 2024

United States: 2026

Japan: 2027



Device for the treatment of cerebral “Nautilus™”

Started to sell “DermaQuick® Onychomycosis” Trichophyton Antigen Test Kit

- First domestic Trichophyton antigen test kit manufactured by Maruho Co., Ltd.
⇒ Concluded a sales partnership agreement (Sales will begin on February 3)
- Easy-to-use test kit that can detect Trichophyton in the nails quickly (Traditionally tested by visual inspection under a microscope).
- Will expand the line-up of products in the area of foot care of dialysis patients
⇒ Will provide a total solution



DermaQuick® Onychomycosis

* 1. DermaQuick® is a registered trademark of Maruho Co., Ltd.

Topics

Kaneka Q10™ Fruit Gummies

Teams with “Licca-chan”

- Collaborated with the character, who is popular spanning a wide range of ages
⇒ Contribute to promoting product awareness

【Product characteristics】

- Food with function claims that contains the active form of coenzyme Q10

Maintaining skin moisture

Reducing temporary stress



- Official website

<https://www.kaneka.co.jp/q10kajitsu-gumi/licca/>

Supplement

Released “Susumu Chikara™ Kinniku-Care™ Shukan Support”

- Dietary supplement containing casuarinin derived from lemon myrtle
- Researched 200 plants and found that casuarinin has muscle enhancement effects
⇒ Achievement of research and development over 10 years



Susumu Chikara™ Kinniku-Care™ Shukan Support

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

The List of Kaneka Business Unit Abbreviations

