

The logo for KANEKA, featuring the word "KANEKA" in a bold, blue, sans-serif font. The letters are slightly stylized, with the 'K' and 'A' having unique shapes.

The Dreamology Company
—Make your dreams come true—

A horizontal banner with a blue background. It features a white line graph with multiple peaks and valleys, overlaid on a pattern of small, glowing blue dots. The text "Financial Summary" and "Fiscal Year Ended March 31, 2025" is written in white, bold, sans-serif font on the right side of the banner.

Financial Summary

Fiscal Year Ended March 31, 2025

May 14, 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.

FY2024 Summary

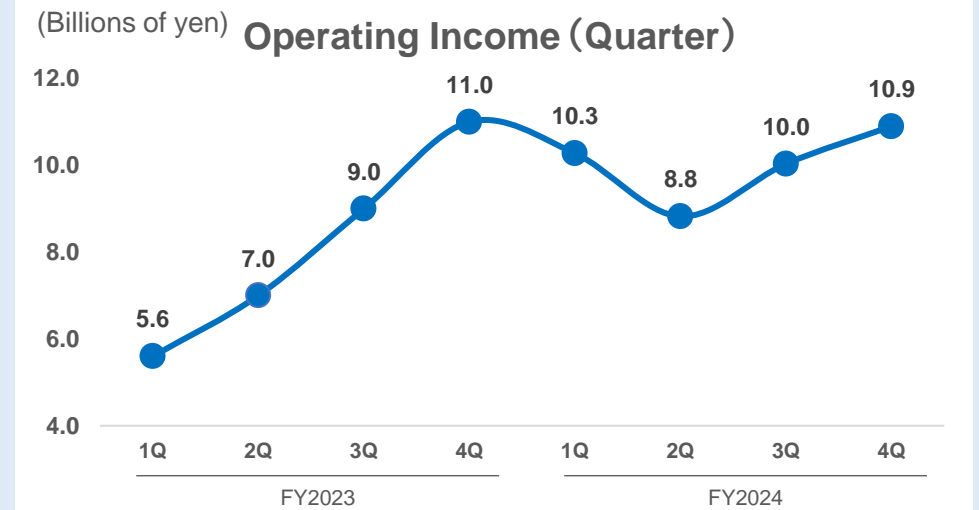
FY2024 Results

Net sales
¥807.2 billion(YoY+5.9%)

Operating income
¥40.1 billion(YoY+22.9%)

Net income
¥25.3 billion(YoY+9.0%)

- **Net sales and operating increased** year on year in all segments
- Profit recovered to exceed ¥10.0 billion /Q in 3Q* and 4Q*



*3Q: October 1 to December 31, 2024

*4Q: January 1 to March 31, 2025

Highlights

- Net sales: **Record high** (achieved 800.0 billion yen for the first time)
- Key indicators*: **Increased** year-on-year

	FY2023	FY2024	(Billions of yen)		(Billions of yen)	
			Difference (YoY)		Previous forecast (Feb. 8, 2024)	Rate of achievement
			Amount	%		
Net sales	762.3	807.2	44.9	5.9%	800.0	100.9%
Operating income	32.6	40.1	7.5	22.9%	40.0	100.1%
Ordinary income	29.2	32.9	3.6	12.5%	36.0	91.3%
Net income attributable to owners of parent	23.2	25.3	2.1	9.0%	25.0	101.2%
Operating income margin	4.3%	5.0%				
Net income per share	¥357.90	¥400.91				
Dividend per share	¥110.00	¥130.00				
ROE	5.3%	5.5%				
Exchange rate (to USD)	¥144.6	¥152.6				
Exchange rate (to EURO)	¥156.8	¥163.9				
Domestic Naptha Price (per kl)	¥69,225	¥75,475				

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

Business Performance by Segment

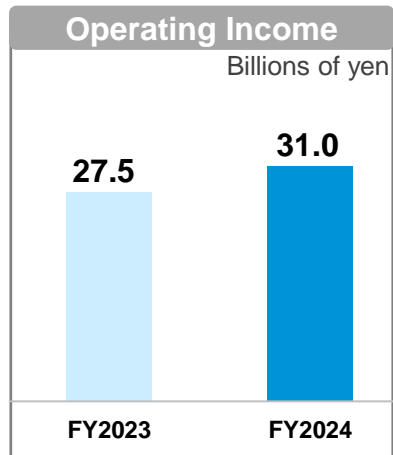
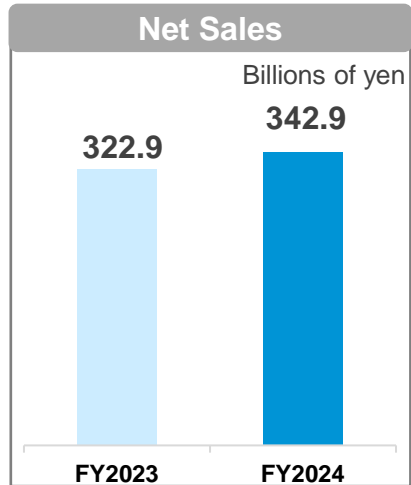
➤ **Sales and profits increased** in all segments

(Billions of yen)

	Net sales				Operating income			
	FY2023	FY2024	Difference		FY2023	FY2024	Difference	
			Amount	%			Amount	%
Material SU	322.9	342.9	20.0	6.2%	27.5	31.0	3.5	12.6%
Quality of Life SU	176.2	191.0	14.8	8.4%	15.4	20.0	4.7	30.4%
Health Care SU	74.9	77.3	2.4	3.2%	12.9	13.4	0.5	3.5%
Nutrition SU	187.2	195.0	7.8	4.2%	12.1	13.1	1.0	8.2%
Others	1.2	1.1	(0.1)	(10.7%)	0.7	0.5	(0.1)	(22.4%)
Adjustment	-	-	-	-	(36.0)	(37.9)	(2.0)	-
Total	762.3	807.2	44.9	5.9%	32.6	40.1	7.5	22.9%

*SU: Solutions Unit

Performance



(Material Solutions Unit)

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

Vinyls and Chlor-Alkali

YoY **Decrease in operating income**

- Price revision implemented. Contributed to business performance since 2H*.
- Continued downturn in the Asia market as the Chinese economy stagnated throughout the year.

Performance Polymers (MOD)

YoY **Increase in operating income**

- Business competitiveness improved. Global demand adjustments ended, and sales recovered throughout the year.
- Sales expansion of high-value-added products such as non-PVC use and epoxy masterbatch (MX). Sales mix also expanded.

Performance Polymers (MS)

YoY **Increase in operating income**

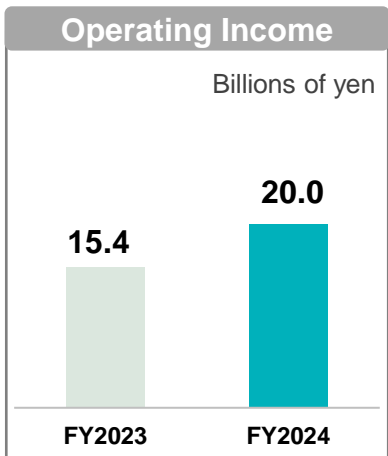
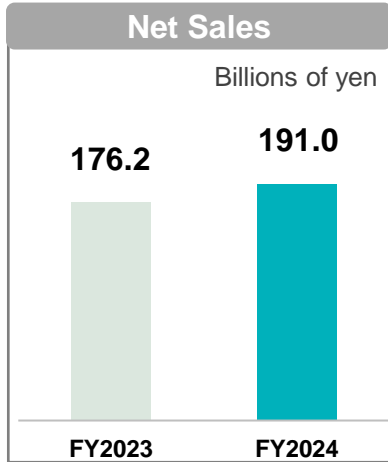
- Robust sales growth due to sales expansion measures that took advantage of unique functional characteristics. Progress in switching from other products and expanding sales to other regions.
- Increased production capacity in Belgium → Plan to fully leverage to capture increased demand in line with the progress of the European Green Deal policy.

Green Planet

- Adoption by all of Starbucks stores in Japan. Progress in sales realization.
→ With this adoption, inquiries from both domestically and internationally increased.
Social implementation further progressed.
- Accelerate efforts for large-scale production adoption by major brand holders.

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

Performance



(Quality of Life Solutions Unit)

Continued high earnings by E&I ⇒ Driving significant increases in both sales and profits in SU

Foam & Residential Techs

YoY **Decrease in operating income**

- Lower demand in the automobile, agriculture, fisheries, and construction sectors in Japan, and higher raw material prices throughout the year.
- Price revisions, particularly in the domestic agricultural and fishery sectors, progressed → Profit margins improved.

E & I Technology

YoY **Increase in operating income**

- High level of sales of polyimide films and acrylic resins maintained throughout the year.
→ Strong sales of smartphones and large TVs. Chinese government's subsidy policy on the purchase of home electrical appliances also contributed to the strong sales.

PV & Energy management

YoY **Increase in operating income**

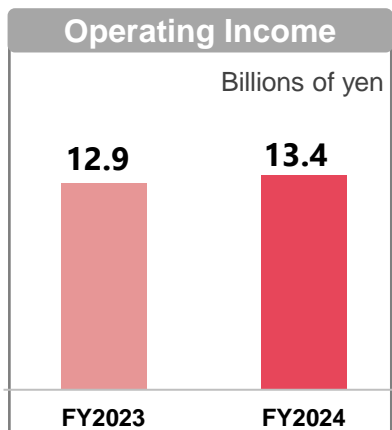
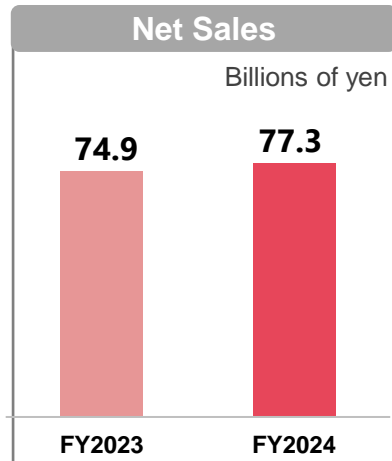
- Solid sales of high-efficiency photovoltaic modules for domestic single homes → Increased sales year-on-year

Performance Fibers

YoY **Increase in operating income**

- Increased sales of hair attachment products → Expansion of sales areas and the sales expansion of high-performance products contributed.
- Demand for the flame-retardant fabric sector expanded → Focus on sales expansion measures.

Performance



(Health Care Solutions Unit)

Solid sales expansion in Medical ⇒ Increases in both sales and profits
Continued demand adjustment in CDMO markets in Pharma

Medical

YoY **Increase in operating income**

- Sales expansion of both blood purification devices and catheters throughout the year.
- Catheter: Expansion of selling a novel scoring balloon catheter → Driving business growth.
- New plant for blood purification devices in Hokkaido (Tomatoh Manufacturing Site) favorably started its operation → Will contribute to the strengthening of future overseas expansion.
- M&A of a medical device company with expertise in the field of cerebrovascular treatment → Accelerate the expansion of its product lineup.

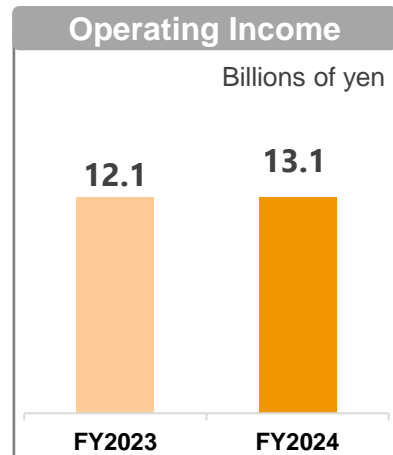
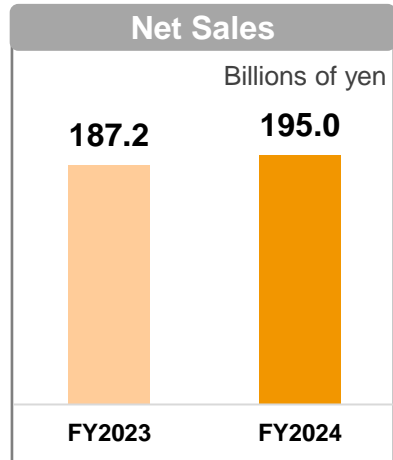
Pharma

YoY **Decrease in operating income**

- Demand on a recovery track in 3Q and thereafter while demand adjustment for small molecule pharmaceuticals and biopharmaceuticals took longer than expected.
- Expansion sales by leveraging sales results in small molecule pharmaceuticals and promotion of joint development with customers in biopharmaceuticals.

*3Q: October 1 to December 31, 2024

Performance



(Nutrition Solutions Unit)

**Continued solid performance of both Supplement and Foods
⇒ Increases in sales and profits**

Supplemental Nutrition

YoY **Increase in operating income**

- Global sales expansion of the active form of coenzyme Q10, particularly in the U.S.
- Probiotics business steadily expanding.
- Will focus on launching new products and reinforcing marketing → Plan to further expand sales in the U.S., the biggest market.

Foods & Agris

YoY **Increase in operating income**

- A shift to high-value-added products and an increase in profit margins→ Boosted profitability.
- Will strengthen sales expansion of high value-added “Business to Consumer” products and accelerate business expansion.
→ Continually drive the portfolio transformation in the Foods & Agris business.

Business Performance by Segment (Quarter-on-Quarter)

(Billions of yen)

	Net Sales				Operating Income			
	FY2024		Difference(QoQ)		FY2024		Difference (QoQ)	
	3Q	4Q	Amount	%	3Q	4Q	Amount	%
Material SU	85.6	87.4	1.8	2.1%	6.7	8.2	1.6	23.6%
Quality of Life SU	50.9	46.7	(4.2)	(8.2%)	6.1	4.3	(1.8)	(29.6%)
Health Care SU	19.0	21.8	2.8	14.7%	3.3	4.7	1.4	42.8%
Nutrition SU	51.3	47.9	(3.4)	(6.6%)	3.7	2.9	(0.8)	(20.8%)
Others	0.3	0.3	0.0	11.0%	0.2	0.2	0.0	19.9%
Adjustment	-	-	-	-	(9.9)	(9.4)	0.5	-
Total	207.1	204.2	(2.9)	(1.4%)	10.0	10.9	0.9	8.8%

Factors for difference in operating income

- Material : Inventory adjustments by some customers (seasonal factor) in MOD and MS in 3Q solved. Solid sales of non-PVC use in MOD. Sales expansion progressed, particularly in Europe, in MS. Continued downturn in PVC market conditions in Asia.
- QoL : Decrease in sales in Foam due to seasonal factors. Solid demand for Chinese smartphones in E&I. Impact of preventive maintenance in Fiber.
- Health Care : Sales growth in Medical's new catheter products. Pharma demand recovering, especially in small molecule pharmaceuticals.
- Nutrition : Lower sales volume due to seasonal factors in Foods. Solid sales of the active form of coenzyme Q10 mainly in the U.S.

Consolidated Balance Sheets

		(Billions of yen)		
		March 31, 2024	March 31, 2025	Difference
Assets	Current assets	428.9	444.5	15.7
	Noncurrent assets	441.3	475.6	34.3
Total assets		870.2	920.1	49.9
Liabilities	Interest bearing debt	174.8	203.3	28.5
	Others	221.0	224.4	3.4
	Total liabilities	395.8	427.7	31.9
Net assets	Equity *	453.5	471.5	18.0
	Others	20.9	21.1	0.2
	Total net assets	474.4	492.4	18.0
Total liabilities and net assets		870.2	920.1	49.9
Equity ratio		52.1%	51.2%	
Debt equity ratio		0.39	0.43	
Net assets per share		¥7,068.91	¥7,488.51	

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

- Total assets : Increase due to higher inventories and capital investment in fixed assets.
- Liabilities : Up primarily reflecting an increase in loans payable.
- Net assets : Increased owing chiefly to an increase in retained earnings.
- Equity ratio : 51.2%

Consolidated Statement of Cash Flows

(Billions of yen)

	FY2023	FY2024
Cash flows from operating activities	61.9	41.3
Cash flows from investing activities	(58.8)	(55.0)
Free cash flow	3.1	(13.8)
Cash flows from financing activities	(1.5)	14.5
Net increase (decrease) in cash and cash equivalents *	2.6	1.4
Cash and cash equivalents at end of period	43.3	44.6

* Including Effect of exchange rate change on cash and cash equivalents and Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation.

- Net cash provided by operating activities was ¥41.3 billion, mainly due to the recording of income before income taxes and depreciation and amortization.
- Net cash used in investing activities amounted to ¥55.0 billion, mainly due to purchase of property, plant and equipment.
- Net cash provided by financing activities was ¥14.5 billion due to an increase in loans payable, which was partially offset by redemption of bonds and repurchase of treasury stock.
- Cash and cash equivalents as of March 31, 2025 totaled ¥44.6 billion.

Investment, Depreciation, R&D Expenses

(Billions of yen)			
	FY2023	FY2024	Difference
Capital investment	69.2	53.1	(16.1)
Depreciation and amortization	40.5	43.6	3.1
R&D expenses	35.4	39.8	4.4
R&D expenses to net sales	4.6%	4.9%	

● Main capital investment

FY2024 Results

- Introduction of co-generation system at Takasago
- Construction of new plant for blood purification devices and catheter in Hokkaido (Tomatoh Manufacturing Site)
- Increased production capacity in Kaneka Belgium N.V., MS

FY2025 Forecast Summary

FY2025 Forecast

- Plan to **increase net sales and operating income**
- Maximization of net income through **the implementation of capital efficiency improvement measures**

Net sales
¥820.0 billion (YoY**+1.6%**)

Operating income
¥42.0 billion (YoY**+4.9%**)

Net income
¥33.0 billion (YoY**+30.4%**)

Shareholder returns

- **Increased dividend:**
Annual dividend **¥160 per share**
(+ ¥30 per share year-on-year)
- Planning to implement
“Progressive dividend policy”
(Period: Covered by the next management plan/
FY2025~2027)
- Repurchase of treasury shares:
3,000,000 shares (**upper limit: 12.0 billion yen**)

Earning Forecasts and Other Forward-looking Statements

- Business forecasts for FY2025: **Increase in net sales and operating income** (year-on-year)
(Impacts of the U.S. reciprocal tariff policy not incorporated into the forecasts at this point)
- Will actively invest management resources for Life Science and Leading-edge businesses
→ Accelerate transformation of the business portfolio
- Will strengthen **local production for local consumption business model**, which is our competitive strength
→ Focus on minimizing the impacts of the U.S. reciprocal tariff policy
- Accelerate **improving capital efficiency** → Net income significantly expanding

(Billions of yen)

	FY2024 Result	FY2025 Forecast	Difference	
			Amount	%
Net sales	807.2	820.0	12.8	1.6%
Operating income	40.1	42.0	1.9	4.9%
Ordinary income	32.9	38.0	5.1	15.6%
Net income attributable to owners of parent	25.3	33.0	7.7	30.4%
Operating income margin	5.0%	5.1%		
Net income per share	¥400.91	¥524.36		
Dividend per share	¥130.00	¥160.00		
ROE	5.5%	7.2%		
Exchange rate (to USD)	¥152.6	¥145.0		
Exchange rate (to EURO)	¥163.9	¥155.0		
Domestic Naptha Price (per kl)	¥75,475	¥70,000		

Earning Forecasts and Other Forward-looking Statements (By segments / Compared FY2024 to FY2025)

◆ Earning forecasts by segments

- **Material** : Will accelerate sales expansion to new applications and regions in the U.S. and Europe in MOD and MS.
- **QOL** : Expect steady demand for differentiated products in E&I in line with growth in the information industry such as AI.
- **Health Care** : Further sales expansion of blood purification devices and new catheter products both domestically and internationally in Medical. Progress being made in acquiring new projects of both small molecule pharmaceuticals and biopharmaceuticals in Pharma.
- **Nutrition** : Will focus on business expansion of the active form of coenzyme Q10 in the overseas market and probiotics business in Supplement. Dairy foods and yogurt (Healthy Foods business) will drive the portfolio transformation in Foods.

(Billions of yen)

	Net Sales				Operating Income			
	FY2024 Result	FY2025 Forecast	Difference		FY2024 Result	FY2025 Forecast	Difference	
			Amount	%			Amount	%
Material SU	342.9	337.0	(5.9)	(1.7%)	31.0	31.0	0.0	0.1%
Quality of Life SU	191.0	196.0	5.0	2.6%	20.0	21.0	1.0	4.9%
Health Care SU	77.3	91.0	13.7	17.7%	13.4	17.1	3.7	27.6%
Nutrition SU	195.0	195.0	0.0	0.0%	13.1	13.7	0.6	4.8%
Others	1.1	1.0	(0.1)	(4.9%)	0.5	0.5	(0.0)	(3.5%)
Adjustment	-	-	-	-	(37.9)	(41.3)	(3.4)	-
Total	807.2	820.0	12.8	1.6%	40.1	42.0	1.9	4.9%

SU: Solutions Unit

Shareholder Returns

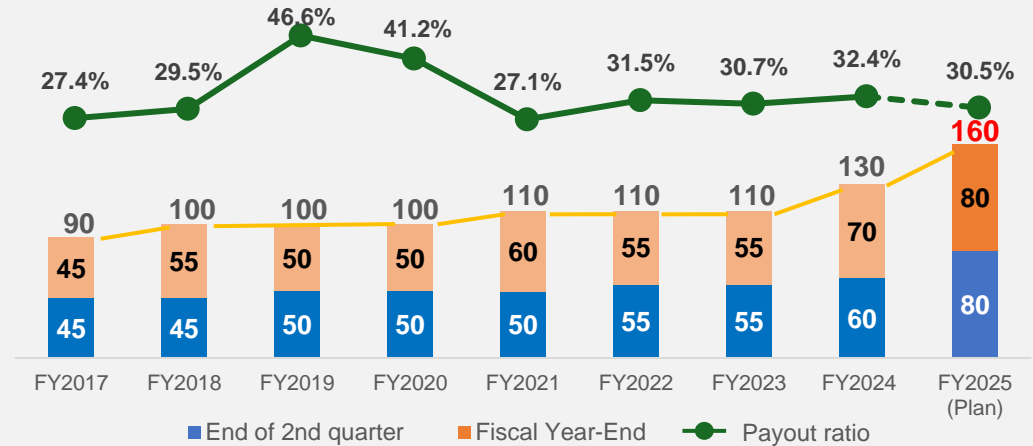
【Plan】

- Annual dividend (**Increased dividend**)
FY2024 ¥130 per share ⇒ FY2025 **¥160 per share**
- Shareholder return policy
Planning to implement **Progressive dividend policy**
(Period: covered by the next management plan/ FY2025~2027)

【Plan】

- Repurchase of treasury shares (May 2025 ~ March 2026)
Total number of shares: **3.0 million shares** (upper limit)
(Equivalent to 4.77% of total number of shares issued)
Total amount: **12.0 billion yen** (upper limit)

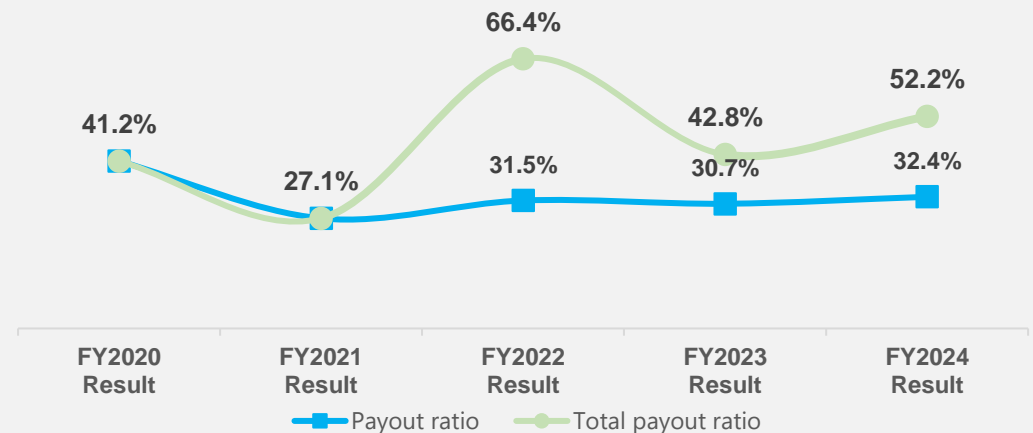
Annual dividend per share (yen)



*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.

Indicators for shareholder returns



Toward the Enhancement of Capital Efficiency

[Specific Initiatives]

1. Achieve profit levels that meet market expectations
2. Increased dividend and progressive dividends policy
(Annual dividend of ¥160 per share, an increase of ¥30 per share year-on-year)
3. Repurchase of treasury shares May, 2025 through March, 2026: 3,000,000 shares
(upper limit: 12.0 billion yen)
4. Accelerate reduction of cross-shareholdings

Accelerate transformation of the business portfolio

(Shift to Leading-edge businesses, enhance profitability of Foundation businesses)

Optimization of Shareholders' Equity

→ Significantly enhance shareholder returns

Appendix: The List of Kaneka Business Unit Abbreviations

Material SU

Material Solutions Unit

Vinyls

Vinyls & Chlor-Alkali Solutions Vehicle

MOD

Performance Polymers (MOD) Solutions Vehicle

MS

Performance Polymers (MS) Solutions Vehicle

QoL SU

Quality of life Solutions Unit

Foam

Foam & Residential Techs Solutions Vehicle

PV

PV & Energy Management Solutions Vehicle

E & I

E & I Technology Solutions Vehicle

Fiber

Performance Fibers Solutions Vehicle

Health Care SU

Health Care Solutions Unit

Medical

Medical Solutions Vehicle

Pharma

Pharma & Supplemental Nutrition Solutions Vehicle
(Pharma)

Nutrition SU

Nutrition Solutions Unit

Foods

Foods & Agris Solutions Vehicle

Supplement

Pharma & Supplemental Nutrition Solutions Vehicle
(Supplemental Nutrition)

KANEKA CORPORATION
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