

The logo for KANEKA, featuring the word "KANEKA" in a bold, blue, sans-serif font. The letters are 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 for the 1st Quarter, Ended June 30, 2025" is written in white, bold, sans-serif font on the right side of the banner.

Financial Summary **for the 1st Quarter, Ended June 30, 2025**

August 8, 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.

FY2025 1Q Summary

FY2025 1Q Result

Net sales
¥198.7 billion
(YoY **+0.2%**)

Operating income
¥8.2 billion
(YoY **▲20.6%**)

Net income
¥4.3 billion
(YoY **▲39.4%**)

- Net sales: year-on-year increase amid the strengthening of the yen
- Operating income:
 - (Factors for increase) Sales recovery in Fiber, ongoing sales expansion of new products in Medical
 - (Factors for decrease) Continued sluggishness in the Asian market for Vinyls, temporary demand adjustment due to U.S. tariff issues for MOD and MS, surge in prices of raw materials in Foods
- Net income: (Factors for decrease) Foreign Exchange Loss on Valuation of Foreign Currency-Denominated Assets

【Impact of U.S. tariff issues】

- Temporary sluggish demand mainly in the European and U.S. markets (Material SU)

Highlights

	FY2024 1Q (Apr.-Jun.)	FY2025 1Q (Apr.-Jun.)	(Billions of yen)	
			Difference (YoY)	
			Amount	%
Net sales	198.4	198.7	0.3	0.2%
Operating income	10.3	8.2	(2.1)	(20.6%)
Ordinary income	10.1	6.0	(4.1)	(40.5%)
Net income attributable to owners of parent	7.0	4.3	(2.8)	(39.4%)
Operating income margin	5.2%	4.1%		
Net income per share	¥110.38	¥67.74		
Exchange rate (to USD)	¥155.9	¥144.6		
Exchange rate (to EUR)	¥167.9	¥163.8		
Domestic Naptha Price (per kl)	¥79,000	¥66,000		

(Year-on-year)

- Net sales: Increased
- Key indicators*: Decreased

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

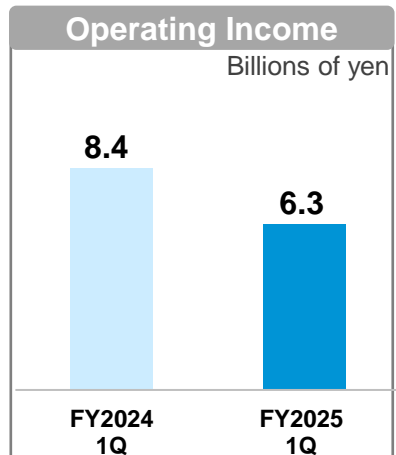
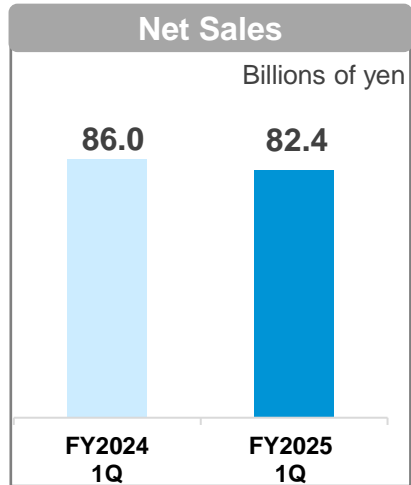
Business Performance by Segment

(Billions of yen)

	Net sales				Operating income			
	FY2024 1Q	FY2025 1Q	Difference		FY2024 1Q	FY2025 1Q	Difference	
			Amount	%			Amount	%
Material SU	86.0	82.4	(3.7)	(4.3%)	8.4	6.3	(2.1)	(25.2%)
Quality of Life SU	45.1	48.5	3.4	7.6%	4.3	5.2	1.0	22.4%
Health Care SU	18.4	18.3	(0.1)	(0.5%)	3.0	3.1	0.1	4.7%
Nutrition SU	48.7	49.3	0.6	1.3%	3.9	2.7	(1.2)	(31.3%)
Others	0.2	0.3	0.0	9.8%	0.1	0.1	0.0	15.4%
Adjustment	-	-	-	-	(9.4)	(9.3)	0.1	-
Total	198.4	198.7	0.3	0.2%	10.3	8.2	(2.1)	(20.6%)

※SU : Solutions Unit

Performance



(Material Solutions Unit)

**Continued weakness in the Asian market for Vinyls,
Temporary demand adjustment in the European and U.S. market for MOD and MS
⇒ Decreased sales and profits**

Vinyls and Chlor-Alkali

- Performance in 1Q: Continued weakness in the Asian PVC and caustic soda market.
- Outlook for *2Q onward: Market adjustments in Asia will continue. Will focus on improving profit margins.

Performance Polymers (MOD)

- Performance in 1Q: Firm sales in Asia. Decreased profit due to temporary demand adjustment in the European and U.S. housing and construction markets. Sales expansion of epoxy masterbatch (MX).
- Outlook for 2Q onward: Expect recovery in the European and U.S. housing and construction markets. Will accelerate to expand sales of high value-added products and improve profit margins.

Performance Polymers (MS)

- Performance in 1Q: Temporary adjustment phase in the U.S. construction market. Wait-and-see stance regarding exports to the U.S. emerged among certain European customers.
- Outlook for 2Q onward: Expect recovery of the U.S. housing and construction markets and rebound in exports to the U.S. from European customers.

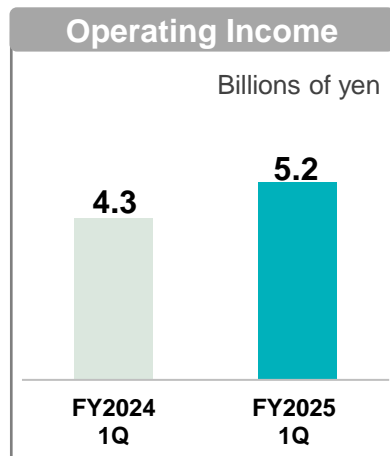
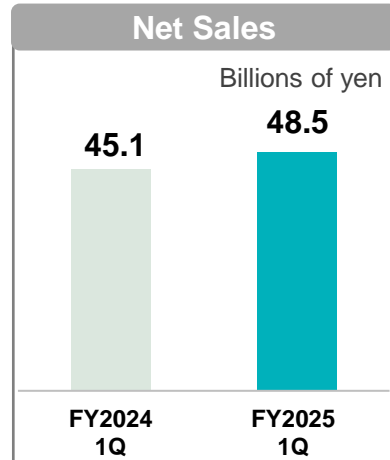
Green Planet

- Performance in 1Q: Quality evaluation by customer for large-scale projects and applications progressed.
- Outlook for 2Q onward: Expect significant sales growth in *2H.

*2Q: July 1 to September 30, 2025

*2H: October 1, 2025 to March 31, 2026

Performance



(Quality of Life Solutions Unit)

Increased sales in Fiber⇒ Increases in both sales and profits as a whole

Foam & Residential Techs

- Performance in 1Q: Weak demand in the agricultural, fishery, and construction sectors despite a year-on-year increased sales in the automotive sector.
- Outlook for 2Q onward: Will work to improve profit margins by revising prices and reducing costs.

E & I Technology

- Performance in 1Q: Increased sales of PI driven by strong demand for smartphones in China. Decreased sales of acrylic resins due to production adjustments in large-screen LCD TVs.
- Outlook for 2Q onward: Expect sales expansion of high value-added grades such as high-frequency PI and modified optical acrylic resins.

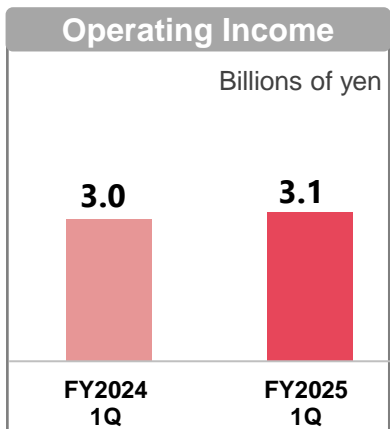
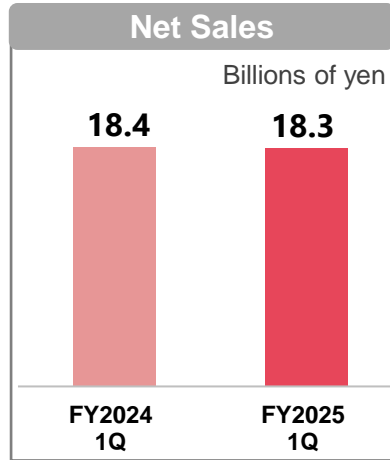
PV & Energy management

- Performance in 1Q: Firm sales of high-efficiency photovoltaic modules for single homes.
- Outlook for 2Q onward: Advance the technology development of tandem-type modules for next-generation photovoltaic module (perovskite).

Performance Fibers

- Performance in 1Q: Sales recovery of hair attachment products. Expanding demand for the flame-retardant fabric sector.
- Outlook for 2Q: Demand recovery of hair attachment products expected to continue and expanding sales areas.

Performance



(Health Care Solutions Unit)

**Significant earnings in Medical, Continued demand adjustments in the CDMO markets in Pharma
⇒ Increased profits despite decreased sales as a whole**

Medical

- Performance in 1Q: Expansion of sales of both blood purification devices and catheters. Sales expansion of Novel scoring balloon catheter driving earning growth.
- Outlook for 2Q onward: Will launch new products and expand sales areas such as Asia and the U.S. New plant for blood purification devices in Hokkaido (Tomato Manufacturing Site) expected to contribute to overseas sales expansion.

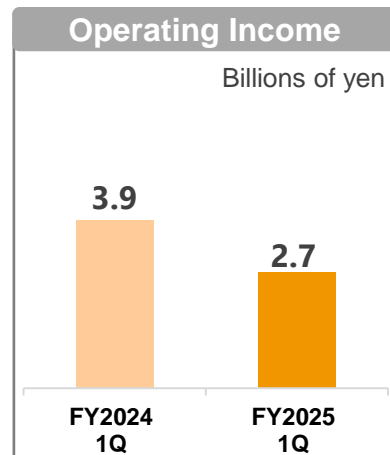
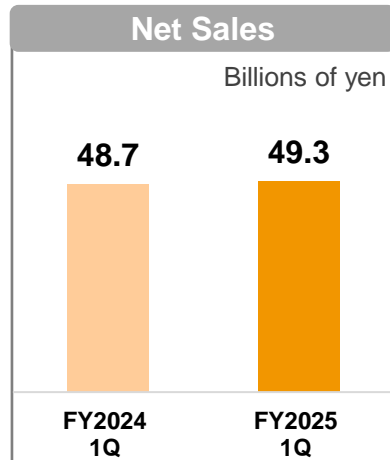
Pharma

- Performance in 1Q: Declined sales due to the concentration of sales in *4Q of the previous fiscal year.
- Outlook for 2Q onward: Expect increased projects in the CDMO market, leading to sales recovery in small molecule and biopharmaceuticals from *3Q.

*3Q: October 1 to December 31, 2025

*4Q: January 1 to March 31, 2025

Performance



(Nutrition Solutions Unit)

Solid sales of the active form of coenzyme Q10 in Supplement
Rising raw material costs in Foods ⇒ Higher sales but lower profits overall

Supplemental Nutrition

- Performance in 1Q: Firm sales of the active form of coenzyme Q10, mainly in the U.S. Probiotics business expanded particularly in Central and South America.
- Outlook for 2Q onward: Aim to expand sales by the launch of new products such as a tablet-type active form of coenzyme Q10 and expansion of sales channels.

Foods & Agris

- Performance in 1Q: Declined profits due to a surge in prices of oil and fat raw materials despite a progress shifting toward high value-added products.
- Outlook for 2Q onward: Will accelerate price revision and improve profit margins. Further progress in shifting toward high value-added products and expanding “Business to Consumer” product sales.

Business Performance by Segment (Quarter-on-Quarter)

(Billions of yen)

	Net Sales				Operating Income			
	FY2024	FY2025	Difference(QoQ)		FY2024	FY2025	Difference (QoQ)	
	4Q	1Q	Amount	%	4Q	1Q	Amount	%
Material SU	87.4	82.4	(5.0)	(5.7%)	8.2	6.3	(2.0)	(23.9%)
Quality of Life SU	46.7	48.5	1.8	3.8%	4.3	5.2	0.9	20.4%
Health Care SU	21.8	18.3	(3.6)	(16.4%)	4.7	3.1	(1.5)	(33.1%)
Nutrition SU	47.9	49.3	1.4	3.0%	2.9	2.7	(0.2)	(8.4%)
Others	0.3	0.3	(0.1)	(20.1%)	0.2	0.1	(0.1)	(30.5%)
Adjustment	-	-	-	-	(9.4)	(9.3)	0.2	-
Total	204.2	198.7	(5.5)	(2.7%)	10.9	8.2	(2.8)	(25.2%)

Factors for difference in operating income

- Material: Ongoing sluggishness in the Asian PVC and caustic soda market for Vinyls. Temporary demand slowdown in the U.S. housing and construction market for MOD and MS.
- QoL: Strong demand recovery and geographic expansion for Fiber. Production adjustments for large-screen LCD TVs in E & I.
- Health Care: Temporary sales adjustment in Pharma due to shipment concentration in 4Q FY2024.
- Nutrition: Surge in prices of oil and fat raw materials in Foods.

Consolidated Balance Sheets

				(Billions of yen)
		March 31, 2025	June 30, 2025	Difference
Assets	Current assets	444.5	443.6	(1.0)
	Noncurrent assets	475.6	476.7	1.0
Total assets		920.1	920.2	0.1
Liabilities	Interest bearing debt	203.3	210.1	6.8
	Others	224.4	218.6	(5.8)
	Total liabilities	427.7	428.7	1.0
Net assets	Equity	471.3	470.0	(1.3)
	Others	21.1	21.5	0.4
	Total net assets	492.4	491.5	(0.9)
Total liabilities and net assets		920.1	920.2	0.1
Equity ratio		51.2%	51.1%	
Debt equity ratio		0.43	0.45	
Net assets per share		¥7,488.51	¥7,497.41	

- Total assets : Increase in inventories and property, plant and equipment.
- Liabilities : Up primarily due to an increase in loans payable.
- Net assets : Down owing chiefly to dividend payments and an increase in treasury shares.
- Equity ratio : 51.1%

Earning Forecasts and Other Forward-looking Statements

➤ Outlook of the global economy for 2Q onward

- ✓ As concerns over U.S. tariff issues are expected to ease, the market will regain stability.

➤ Business forecasts

- ✓ Business performance for 1Q was generally in line.
- ✓ Profitability will be improved across each SU, mainly driven by earnings growth in the Health Care SU.
- ✓ We plan to restore company-wide operating income to a level exceeding ¥11,000 million per quarter in 3Q.
- ✓ We will continue to advance portfolio transformation by increasing the profit contribution ratio of the Leading-edge businesses.

- Consolidated earnings forecasts announced on May 14, 2025 remain unchanged.

<Reference>

Forecast for consolidated financial results for the year ending March 31, 2026
(announced on May 14, 2025)

(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 EUR)	¥163.9	¥155.0		
Domestic Naptha Price (per kl)	¥75,475	¥70,000		

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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