

First Quarter Financial Results for the Fiscal Year Ending October 31, 2023 Supplementary Materials

March 10, 2023

 **KUMIAI CHEMICAL INDUSTRY CO., LTD.**

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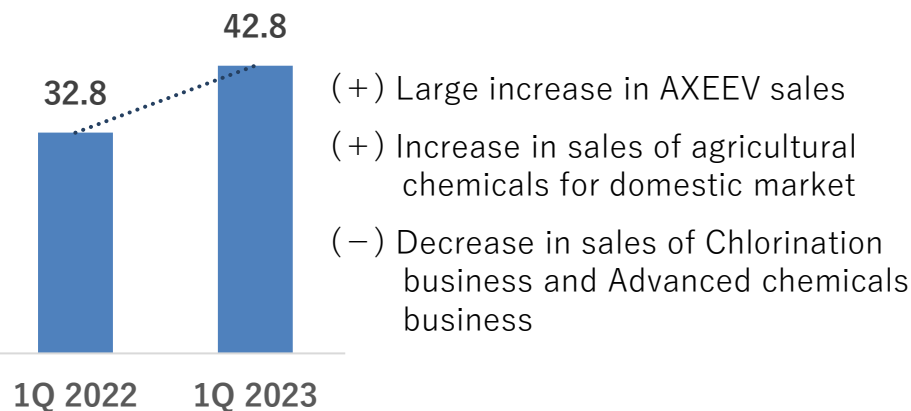
I. Financial Results for the First Quarter of FY2023

Financial Results for the First Quarter of FY2023

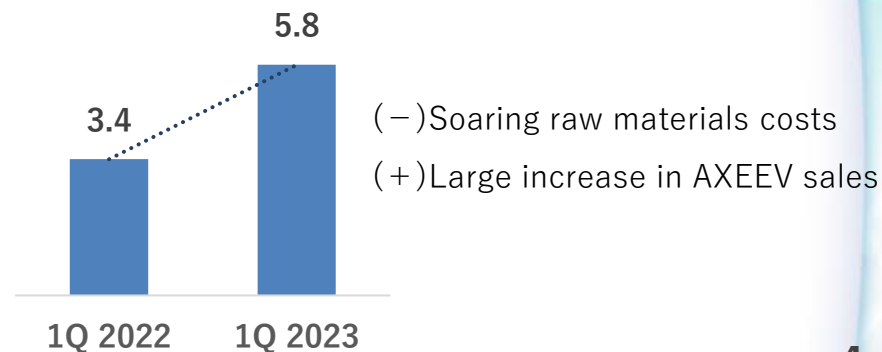
Unit: Billions of Yen	1Q 2022 Results	1Q 2023 Results	YoY (Amount)	Rate
Net Sales	32.8	42.8	+10.0	+30%
Gross Profits	8.2	11.0	+2.9	+35%
Operating Income	3.4	5.8	+2.4	+69%
Ordinary Income	4.0	4.0	+0.1	+2%
Net income attributable to owners of parent	2.6	3.4	+0.8	+31%

Ref.) Average of exchange rates ¥/US\$=114 ¥/US\$=137
 ¥/EUR=130 ¥/EUR=143

Consolidated Sales



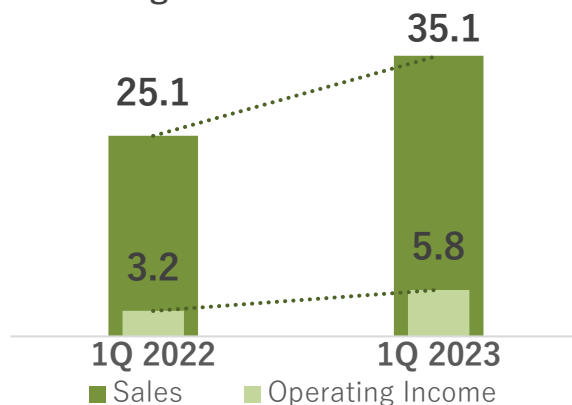
Consolidated Operating Income



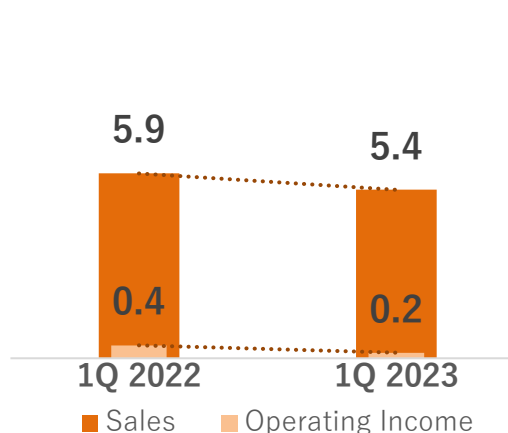
Financial Results by Business Segment

Unit: Billions of Yen	1Q 2022 Results	1Q 2023 Results	YoY (Amount)	Rate
Net Sales	32.8	42.8	+ 10.0	+ 30%
Agricultural Chemicals and Agriculture-Related	25.1	35.1	+ 10.0	+ 40%
Fine Chemicals	5.9	5.4	△0.5	△9%
Other	1.8	2.3	+ 0.5	+ 24%
Operating Income	3.4	5.8	+ 2.4	+ 69%
Agricultural Chemicals and Agriculture-Related	3.2	5.8	+ 2.6	+ 82%
Fine Chemicals	0.4	0.2	△0.2	△56%
Other	0.2	0.1	△0.1	△32%
Adjustment	△0.4	△0.3	+0.0	-

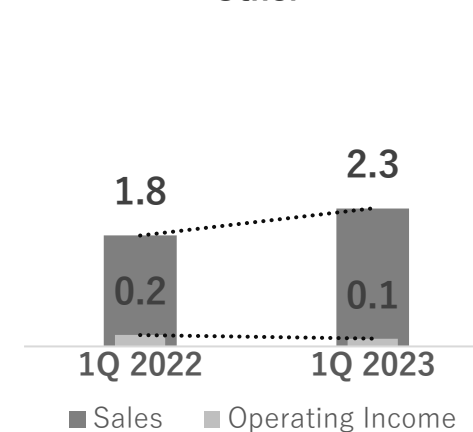
Agricultural Chemicals and Agriculture-Related



Fine Chemicals



Other



Summary of the First Quarter of FY2023

Overall

Sales	¥ 42.8 billion (YoY + ¥10.0B)	✓ Agricultural Chemicals and Agriculture-Related Business remained strong
Operating Income	¥ 5.8 billion (YoY + ¥2.4B)	✓ Raw material costs remained soaring trend

Agricultural Chemicals and Agriculture-Related

Sales	¥ 35.1 billion (YoY + ¥10.0B)	✓ AXEEV sales YoY+65%
Operating Income	¥ 5.8 billion (YoY + ¥2.6B)	✓ Sales of Effeeda, DISARTA remained strong
		✓ Increase in demand of agricultural chemicals for domestic market before price increase

Fine Chemicals

Sales	¥ 5.4 billion (YoY△¥0.5B)	✓ Decrease in sales of bismaleimides and some of chloroxylene-based chemical products due to low demands by recession in China and the U.S.
Operating Income	¥ 0.2 billion (YoY△¥0.2B)	

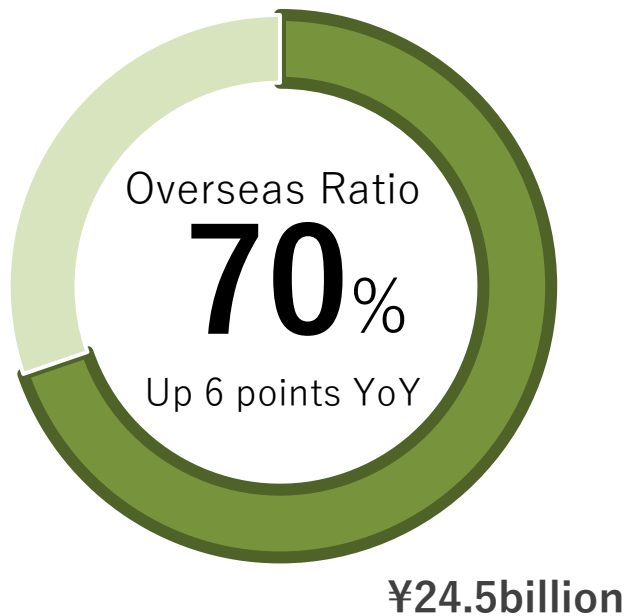
Other

Sales	¥ 2.3 billion (YoY + ¥0.5B)	✓ Increase in sales of construction business due to a progress of construction work carried over from previous year
Operating Income	¥ 0.1 billion (YoY△¥0.1B)	

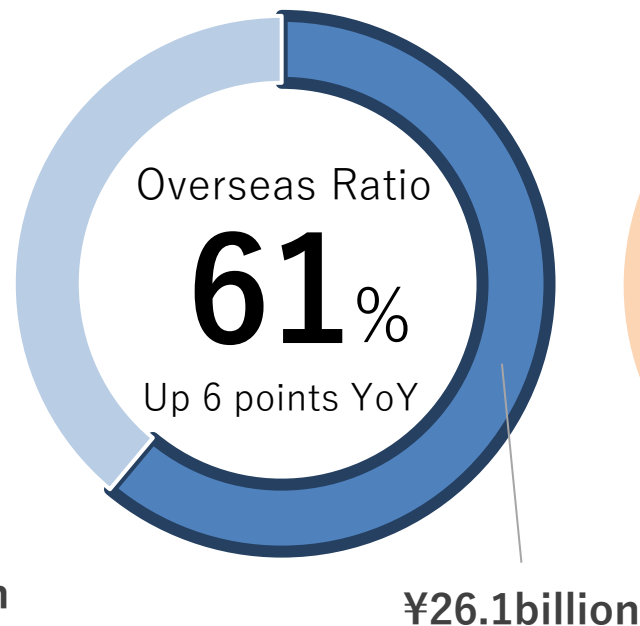
Overseas Sales and Ratio

Overseas Sales and Ratio for the First Quarter of FY2023

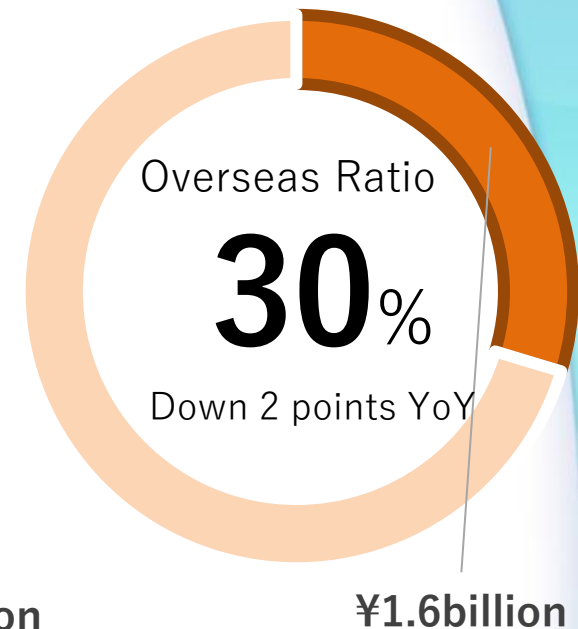
Agricultural Chemicals
and Agriculture-Related



Overall



Fine Chemicals



II . Earnings Forecast for the FY2023

Earnings Forecast for the FY2023 (1H)

Unit: Billions of Yen	2Q 2022 Results	2Q 2023 Forecast	YoY (Amount)	Rate
Net Sales	72.2	92.4	+ 20.2	+ 28%
Operating Income	7.9	10.1	+ 2.2	+ 28%
Ordinary Income	11.4	12.4	+ 1.0	+ 8%
Net income attributable to owners of parent	8.0	9.0	+ 1.0	+ 13%

Ref.) Average of exchange rates

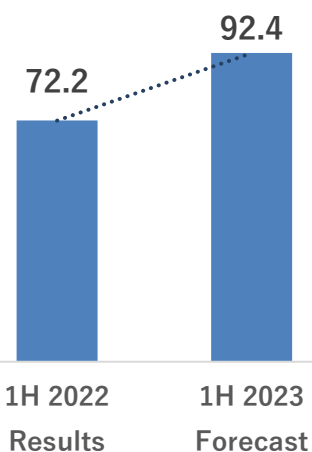
¥/US\$=117

¥/US\$=135

¥/EUR=130

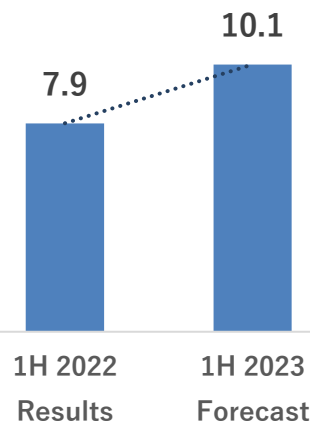
¥/EUR=142

1H Consolidated Sales



- (+) Large increase in AXEEV sales
- (+) Increase in sales of Effeeda and DISARTA
- (-) In Fine Chemicals Business, demand trends in a market of aramid fiber, semiconductors and electronic materials are uncertain

1H Consolidated Operating Income



- (-) Soaring raw materials costs
- (+) Large increase in AXEEV sales

Earnings Forecast for the FY2023

Unit: Billions of Yen	2022 Results	2023 Forecast	YoY (Amount)	Rate
Net Sales	145.3	167.9	+ 22.6	+ 16%
Agricultural Chemicals and Agriculture-Related	112.4	134.5	+ 22.1	+ 20%
Fine Chemicals	25.0	24.5	△0.5	△2%
Other	7.9	8.9	+ 1.0	+ 13%
Operating Income	12.7	14.5	+ 1.8	+ 14%
Ordinary Income	23.6	19.3	△4.3	△18%
Net income attributable to owners of parent	16.3	14.1	△2.2	△14%

Ref.) Average of exchange rates

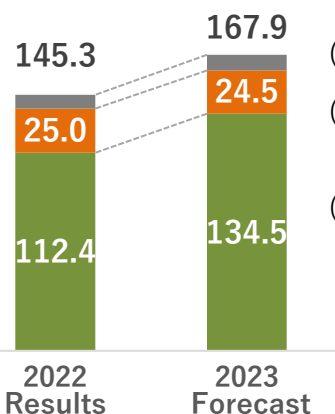
¥/US\$=129

¥/US\$=135

¥/EUR=135

¥/EUR=142

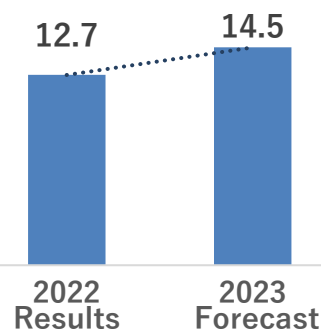
Consolidated Sales



- (+) Large increase in AXEEV sales
- (+) Increase in sales of Effeeda and DISARTA
- (-) In Fine Chemicals Business, demand trends in a market of aramid fiber, semiconductors and electronic materials are uncertain

■ Agricultural Chemicals and Agriculture-Related
■ Fine Chemicals ■ Other

Consolidated Operating Income



- (-) Soaring raw materials costs
- (+) Large increase in AXEEV sales

III. R&D expenses, Capital investment, Depreciation and amortization

R&D expenses, Capital investment, Depreciation and amortization

R&D expenses

FY2022 Results ¥ **5.1** billion → FY2023 Forecast ¥ **5.9** billion

(Factors) Increase in number of employees in R&D division, Increase in travel expenses relating to R&D activities

Capital investment

FY2022 Results ¥ **9.6** billion → FY2023 Forecast ¥ **8.8** billion

(Factors) Main part of construction costs for building of new chemical research institute were recorded in FY2022

Depreciation and amortization

FY2022 Results ¥ **4.2** billion → FY2023 Forecast ¥ **4.7** billion

(Factors) Construction of new fine chemical plants, updating aging facilities, etc.

Statements in this document regarding earnings forecasts and other forward-looking statements are expectations based on information available at the time the material was prepared and include potential risks and uncertainties. Actual results may differ from these earnings forecasts due to a variety of factors.

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Corporate Planning & Coordination Division

Please also see the Company's website. <http://ir.kumiai-chem.co.jp/>