

**First Quarter Financial Results for the Fiscal Year Ending October 31, 2024**

# **Supplementary Materials**

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March 8, 2023

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# 01

## Financial Results for the First Quarter of FY2024

## Financial Results for the First Quarter of FY2024

Unit: Billions of Yen

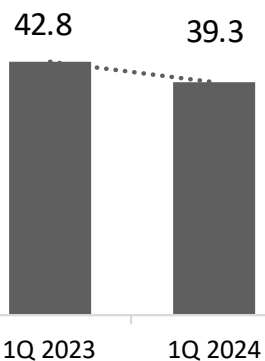
	1Q 2023 results	1Q 2024 results	Change (Amount)	Change (%)
Net Sales	42.8	<b>39.3</b>	-3.5	-8%
Gross Profits	11.0	<b>8.4</b>	-2.7	-24%
Operating Income	5.8	<b>2.9</b>	-2.9	-49%
Ordinary Income	4.0	<b>3.6</b>	-0.5	-12%
Net income attributable to owners of parent	3.4	<b>2.5</b>	-1.0	-28%

Ref.) Average of exchange rates

¥/US\$=137

¥/US\$=147

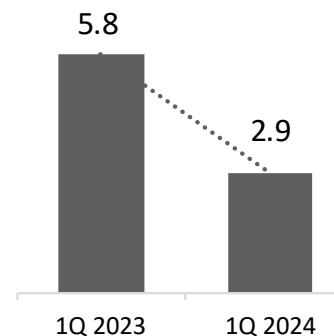
### Sales



※ PYTD – **¥3.5 billion**

- (-) Decrease in AXEEV sales
- (-) Decrease in domestic sales of agricultural chemicals  
(In 1Q of 2023, there were early purchase because the price increased were scheduled on Dec 1,2022)
- (+) Increase due to depreciation of Japanese yen

### Operating Income



PYTD – **¥2.9 billion**

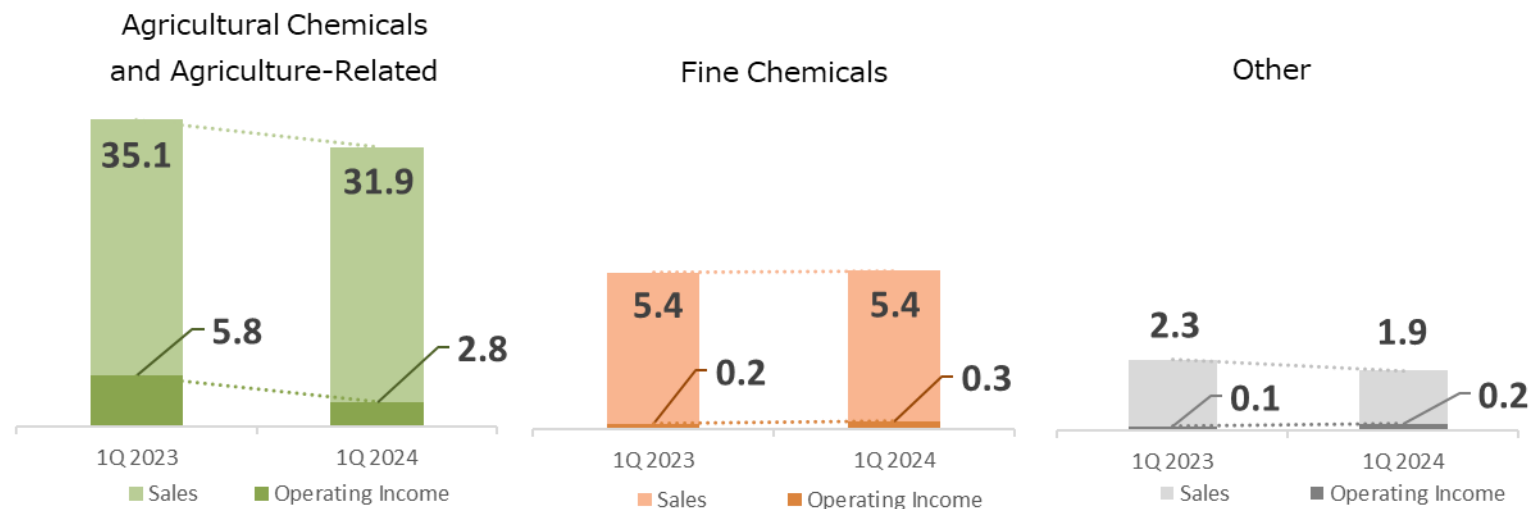
- (-) Decrease in AXEEV sales
- (+) Increase due to depreciation of Japanese yen
- (-) Rising COGS
- (-) Increase in SGA expenses

※ PYTD : Prior Year-To-Date

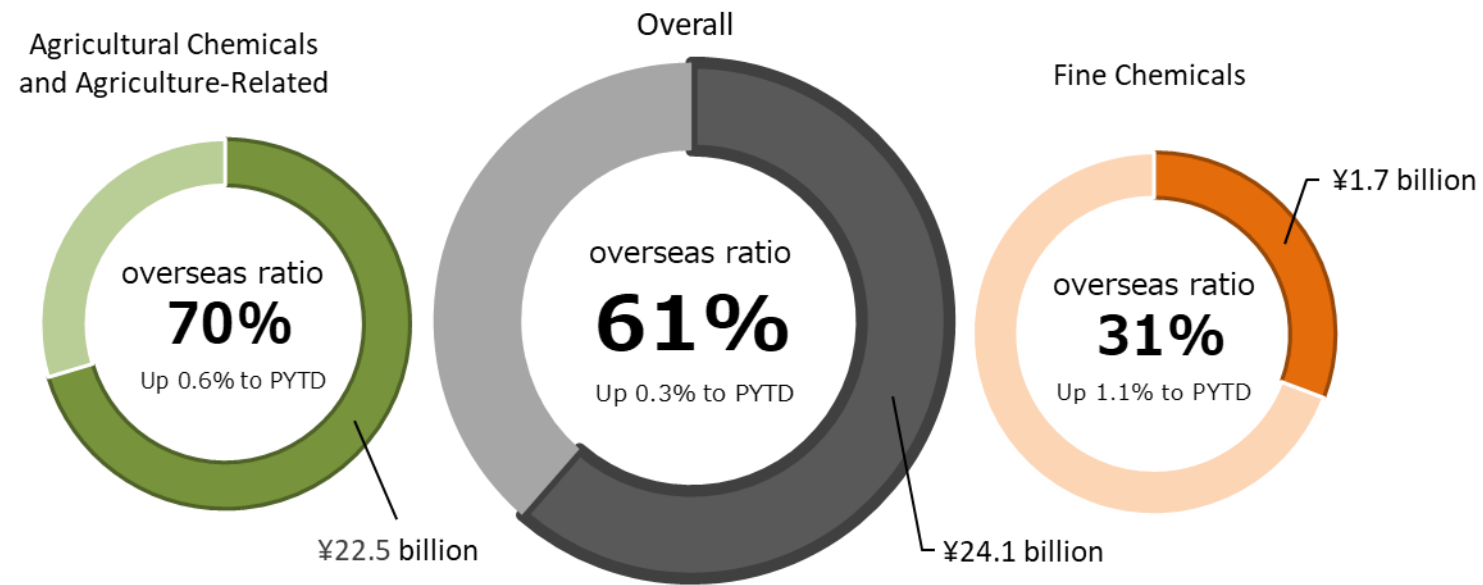
## Financial Results by Business Segment

Unit: Billions of Yen

	1Q 2023 Results	1Q 2024 Results	Change (Amount)	Change (%)
Net Sales	42.8	<b>39.3</b>	-3.5	-8%
Agricultural Chemicals and Agriculture-Related	35.1	<b>31.9</b>	-3.1	-9%
Fine Chemicals	5.4	<b>5.4</b>	0.1	+1%
Other	2.3	<b>1.9</b>	-0.4	-16%
Operating Income	5.8	<b>2.9</b>	-2.9	-49%
Agricultural Chemicals and Agriculture-Related	5.8	<b>2.8</b>	-3.0	-51%
Fine Chemicals	0.2	<b>0.3</b>	0.1	+46%
Other	0.1	<b>0.2</b>	0.1	+67%
(Adjustment)	-0.3	<b>-0.4</b>	0.0	-



## Overseas Sales and Ratio for the First Quarter of FY2024



\* PYTD : Prior Year-To-Date

## Summary of the First Quarter of FY2024

### Overall

※ PYTD : Prior Year-To-Date

Net Sales	¥ <b>39.3</b> billion (PYTD -¥3.5B)	• Decrease in AXEEV sales.
Operating Income	¥ <b>2.9</b> billion (PYTD -¥2.9B)	• Profit decline due to increased COGS & SGA
Ordinary Income	¥ <b>3.6</b> billion (PYTD -¥0.5B)	• Increase of sales & profit thanks to depreciation of Japanese yen.
		• Foreign exchange losses decreased largely PYTD, and equity-method investment profits decreased.

### Agricultural Chemicals and Agriculture-Related

Net Sales	¥ <b>31.9</b> billion (PYTD -¥3.1B)	• Decline in revenue and profit due to price reduction and inventory adjustment of AXEEV for Australia.
Operating Income	¥ <b>2.8</b> billion (PYTD -¥3.0B)	• Decline in revenue and profit due to delay in the timing of AXEEV shipments to Argentina.

### Fine Chemicals

Net Sales	¥ <b>5.4</b> billion (PYTD +¥0.1B)	• Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors.
Operating Income	¥ <b>0.3</b> billion (PYTD +¥0.1B)	• Decrease in sales of some of chloroxylene and chlortoluene based chemical products due to inventory adjustment and other factors at sales destinations.

### Other

Net Sales	¥ <b>1.9</b> billion (PYTD -¥0.4B)	• Steady sales in logistics business and printing business.
Operating Income	¥ <b>0.2</b> billion (PYTD +¥0.1B)	• Reduction in construction work carried forward from the previous fiscal year in construction business.
		• Increase of profit due to cost reduction.

# 02

## Earnings Forecast for the FY2024



# Earnings Forecast for the FY2024 (PYTD)

Unit: Billions of Yen

	2023 Results	2024 Forecast	Change (Amount)	Change (%)
Net Sales	161.0	<b>167.0</b>	6.0	+4%
Agricultural Chemicals and Agriculture-Related	129.5	<b>133.0</b>	3.5	+3%
Fine Chemicals	22.5	<b>26.0</b>	3.5	+16%
Other	9.1	<b>8.0</b>	-1.1	-12%
Operating Income	14.1	<b>12.0</b>	-2.1	-15%
Ordinary Income	24.1	<b>15.0</b>	-9.1	-38%
Net income attributable to owners of parent	18.0	<b>11.0</b>	-7.0	-39%

Ref.) Average of exchange rates

¥/US\$=140

¥/US\$=140

## Sales

**PYTD +¥6.0billion**

- (+) Increase in AXEEV sales volume
- (+) Increase in Fine Chemicals Business
- (-) Inventory adjustments of AXEEV in some of sales countries
- (-) Price adjustments of AXEEV as a countermeasure against generic products

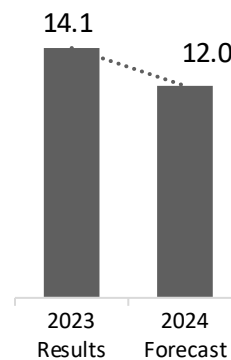
■ Other  
■ Fine Chemicals  
■ Agricultural Chemicals



## Operating Income

**PYTD -¥2.1billion**

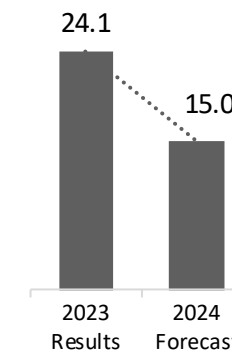
- (-) Rising SG&A expenses
- (-) Price adjustments of AXEEV as a countermeasure against generic products



## Ordinary Income

**PYTD -¥9.1billion**

- (-) Significant decrease in equity-method investment profits



\* PYTD : Prior Year-To-Date

# 03

## R&D expenses, Capital investment and Depreciation

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### R&D expenses

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FY2023 Results ¥ **6.2** billion → FY2024 Forecast ¥ **7.2** billion

- (Factors)
- More focus on overseas development
  - Promotion of R&D activities utilizing cutting edge technology

### Capital investment

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FY2023 Results ¥ **8.7** billion → FY2024 Forecast ¥ **10.2** billion

- (Factors)
- Renewal of deteriorated production facilities
  - Establishment plants and facilities relating to Fine Chemicals Business

### Depreciation

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FY2023 Results ¥ **4.4** billion → FY2024 Forecast ¥ **5.1** billion

- (Factors)
- Increase in depreciation due to capital investment of new chemical institute(ShIP) and production facilities

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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