

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

April 2, 2024

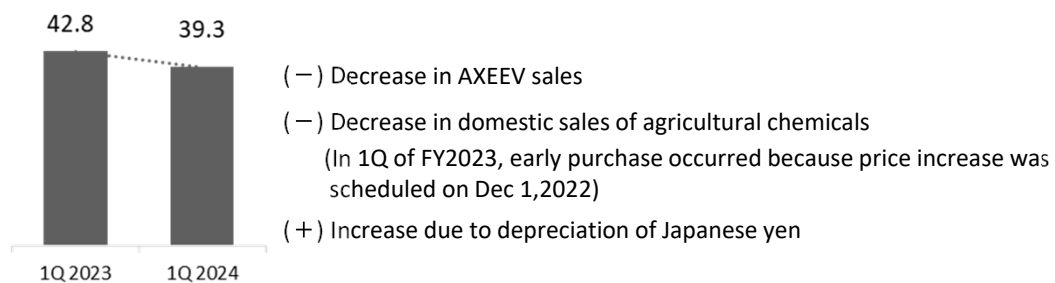
Financial Results for the First Quarter of FY2024

Unit: Billions of Yen

	1Q 2023 results	1Q 2024 results	Change (Amount)	Change (%)
Net Sales	42.8	39.3	-3.5	-8%
Gross Profits	11.0	8.4	-2.7	-24%
Operating Income	5.8	2.9	-2.9	-49%
Ordinary Income	4.0	3.6	-0.5	-12%
Net income attributable to owners of parent	3.4	2.5	-1.0	-28%
	Ref.) Average of exchange rates	¥/US\$=137	¥/US\$=147	

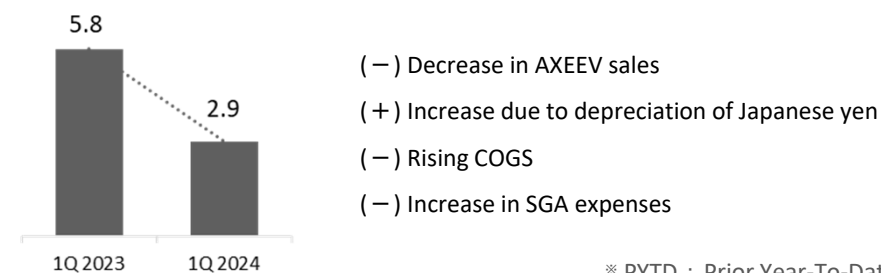
Sales

※ PYTD - **¥3.5billion**



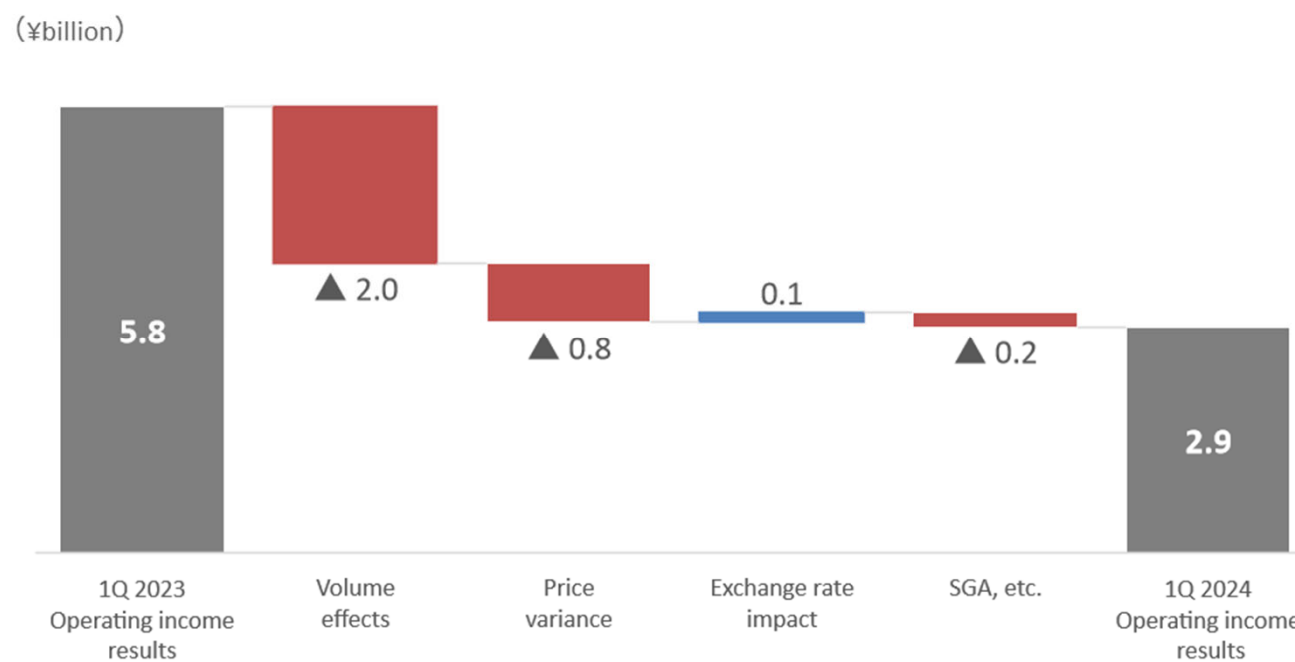
Operating Income

PYTD - **¥2.9billion**



※ PYTD : Prior Year-To-Date

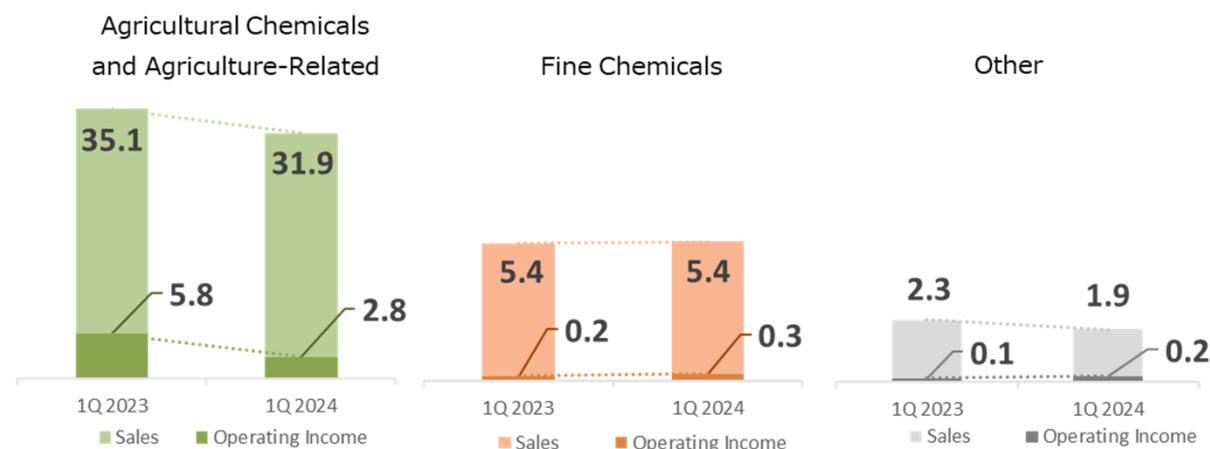
Factors Contributing to Change in Operating Income



Financial Results by Business Segment

Unit: Billions of Yen

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



Agricultural Chemicals and Agriculture-Related Businesses

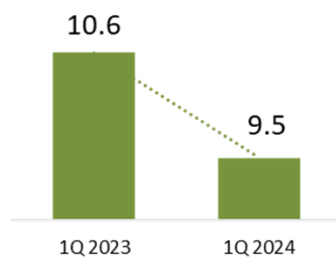
Domestic

- Sales of rice herbicides containing Effeeda remained steady
- Decrease in domestic sales of agricultural chemicals
(In 1Q of FY2023, early purchase occurred because price increase was scheduled on Dec 1,2022)

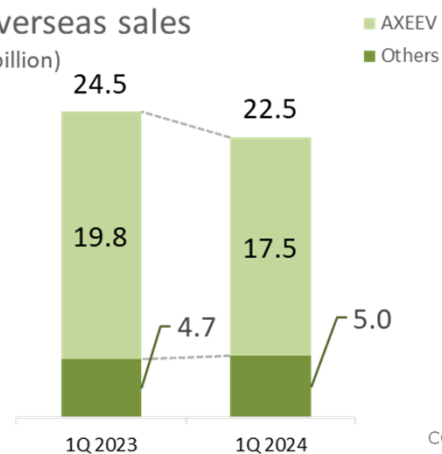
Overseas

- Price reduction and inventory adjustment of AXEEV for Australia
- Delay in the timing of AXEEV shipments to Argentina

Domestic sales
(¥billion)



Overseas sales
(¥billion)



Fine Chemicals Business

Chlorination

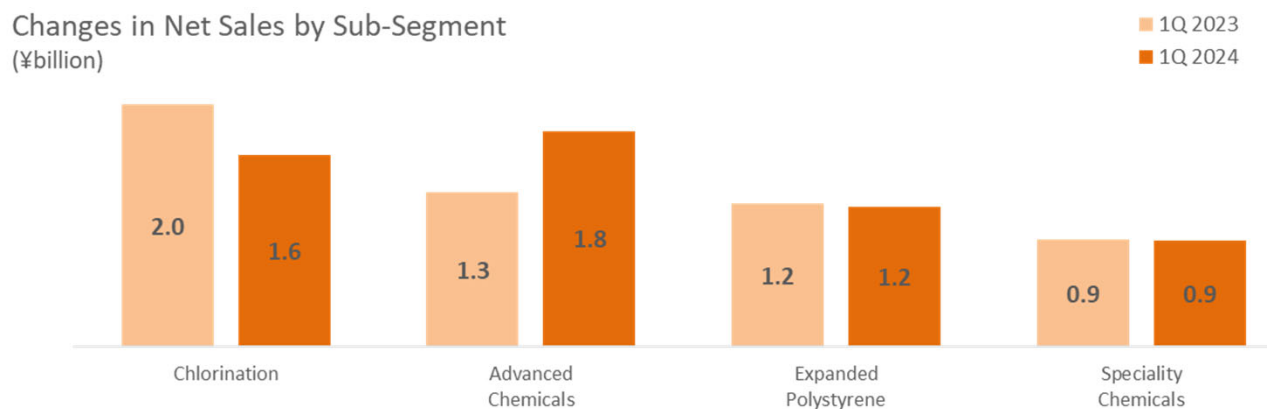
- Decrease in sales of some of chloroxylene and chlortoluene based chemical products due to inventory adjustment and other factors at sales destinations

Advanced Chemicals

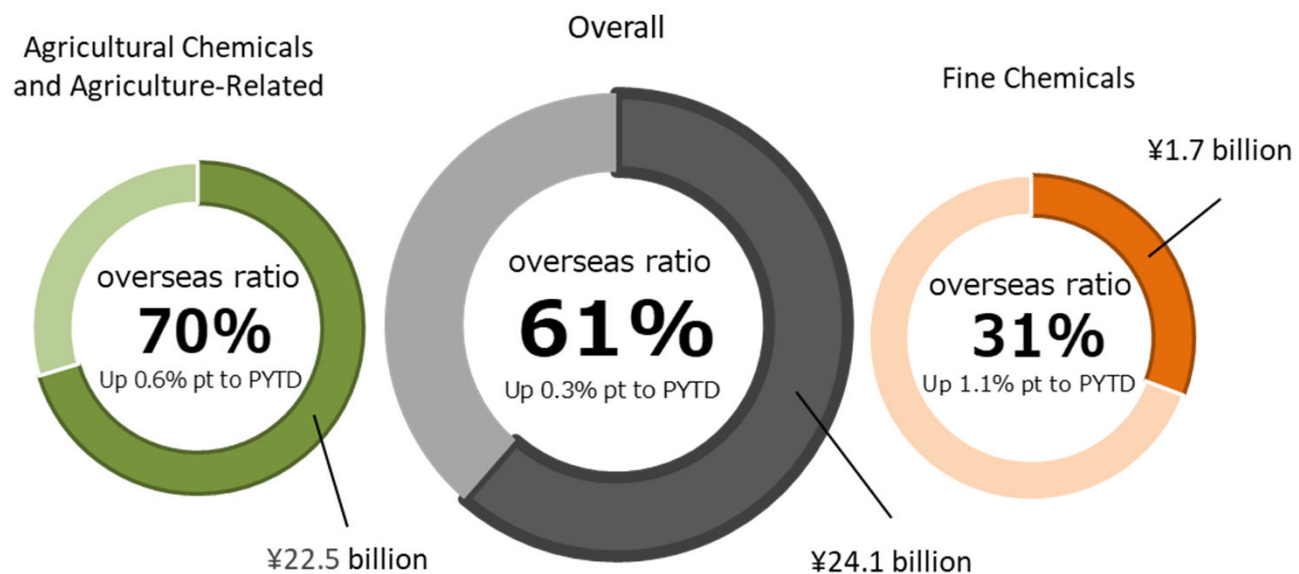
- Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors

Expanded Polystyrene & Speciality Chemicals

- Sales were flat Prior Year-To-Date



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

Agricultural Chemicals and Agriculture-Related

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

Fine Chemicals

Net Sales	¥ 5.4 billion (PYTD +¥0.1B)	• Significant Increase in sales of bismaleimides due to recovery of demands for semiconductors.
Operating Income	¥ 0.3 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	¥ 1.9 billion (PYTD -¥0.4B)	• Steady sales in logistics business and printing business.
Operating Income	¥ 0.2 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.

Earnings Forecast for the FY2024 (PYTD)

Unit: Billions of Yen

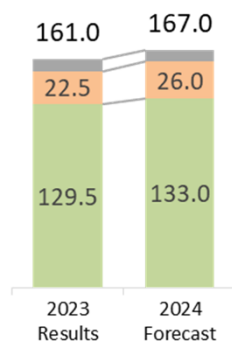
	2023 Results	2024 Forecast	Change (Amount)	Change (%)
Net Sales	161.0	167.0	6.0	+4%
Agricultural Chemicals and Agriculture-Related	129.5	133.0	3.5	+3%
Fine Chemicals	22.5	26.0	3.5	+16%
Other	9.1	8.0	-1.1	-12%
Operating Income	14.1	12.0	-2.1	-15%
Ordinary Income	24.1	15.0	-9.1	-38%
Net income attributable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

Ref.) Average of exchange rates

¥/US\$=140

¥/US\$=140

Sales

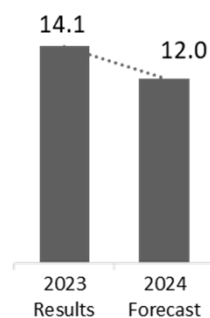


PYTD + ¥6.0 billion

- (+) 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

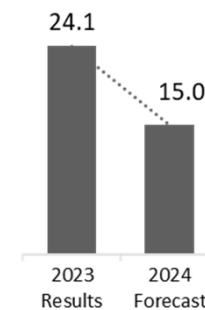
Operating Income



PYTD - ¥2.1 billion

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

Ordinary Income



PYTD - ¥9.1 billion

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

* PYTD : Prior Year-To-Date

R&D expenses, Capital investment and Depreciation

R&D expenses

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

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

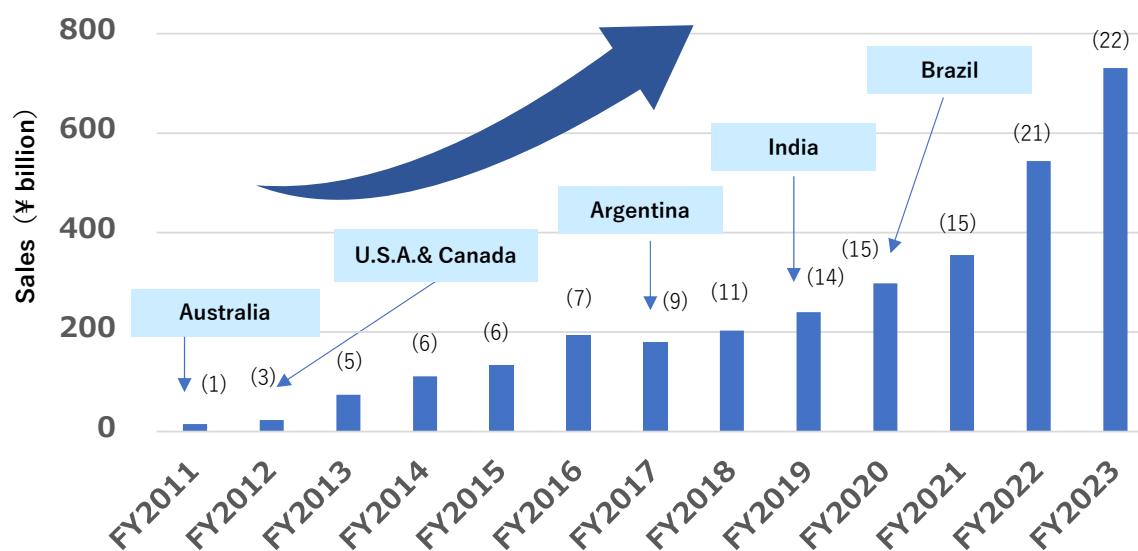
Depreciation

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

Growth of AXEEV

- ◆ Sales increase due to high efficacy to herbicides resistant weeds as silver bullet
- ◆ Sales expansion in main grain* producing countries (*: soybean, corn, cereals)
- ◆ Development of mixture products with active ingredients owned by our partner companies



() : Number of registered countries



Corn field infested with Herbicides Resistant Weeds



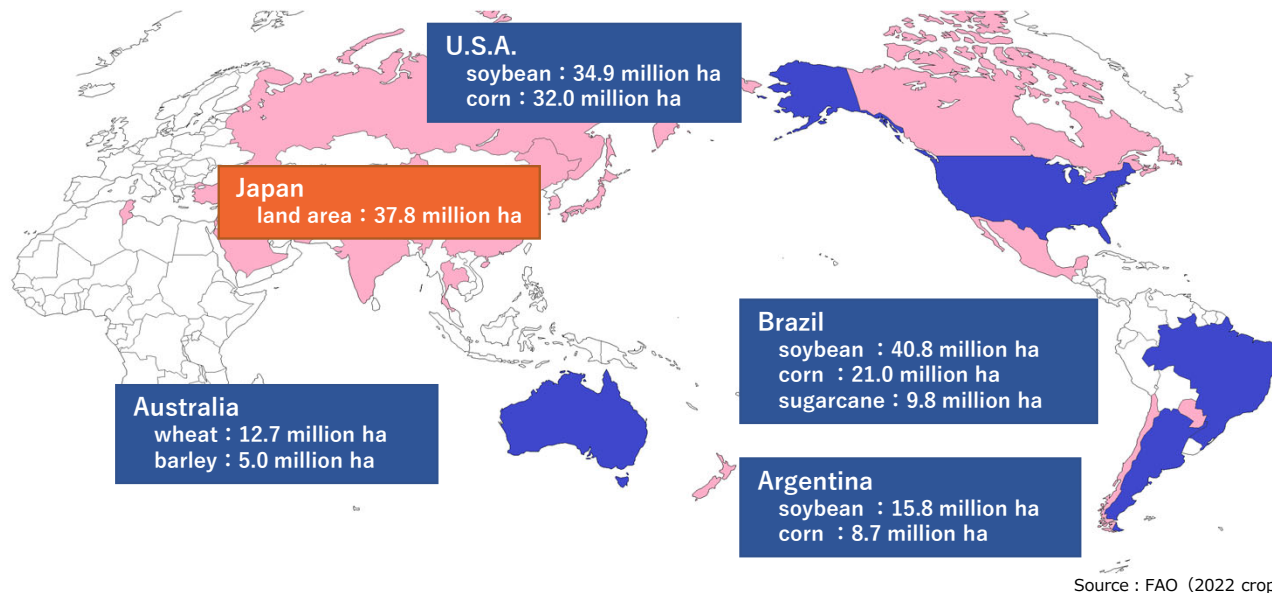
AXEEV treated corn field

Global Expansion of AXEEV



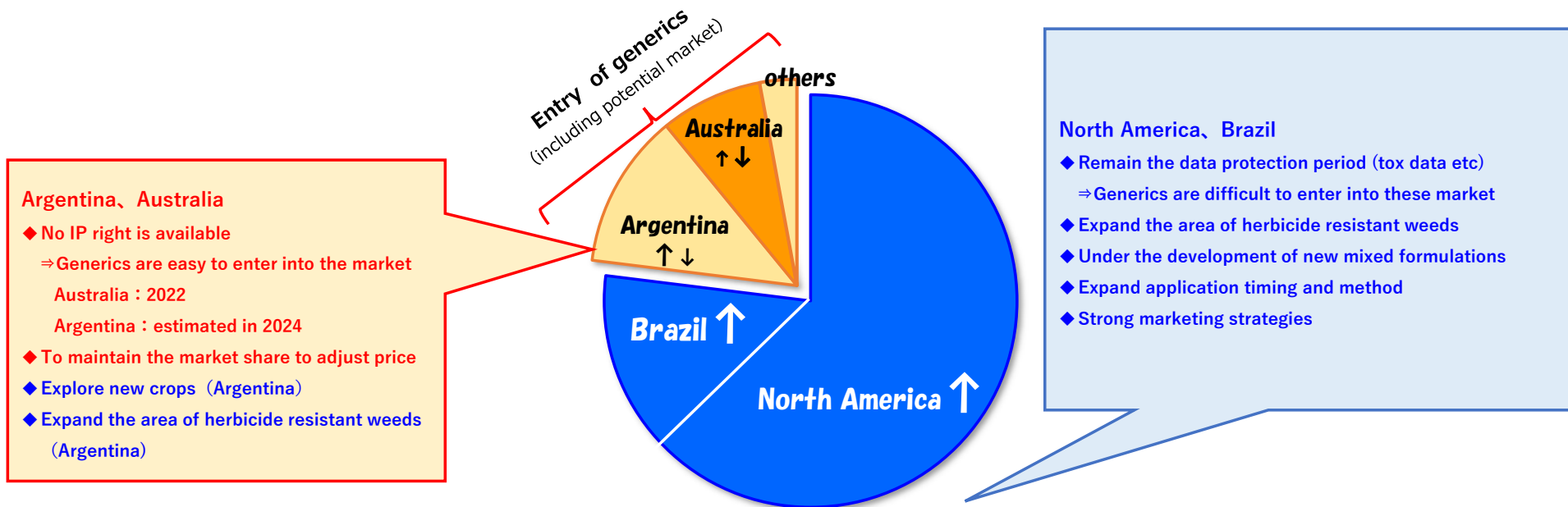
No. of registered country (development of new mixed formulation and label expansion on-going): 23
No. of country under development to obtain pesticide registration: 9

Growth of AXEEV



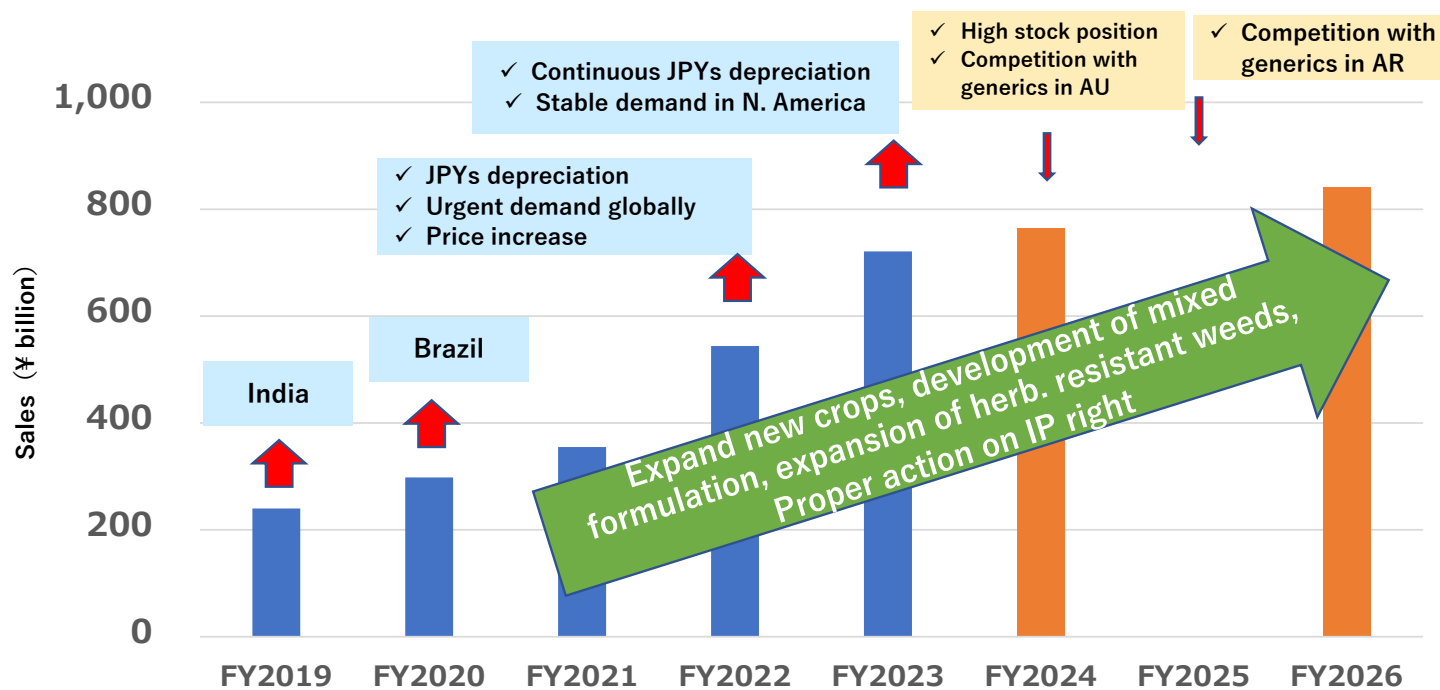
- ◆ AXEEV developments of new mixed formulation and label expansion are on going in major grain producing markets for further growth
- ◆ IP rights for manufacturing method, key intermediates and mixed formulation are still valid and some of data for pesticide registration are under the protection

AXEEV Sales Outlook

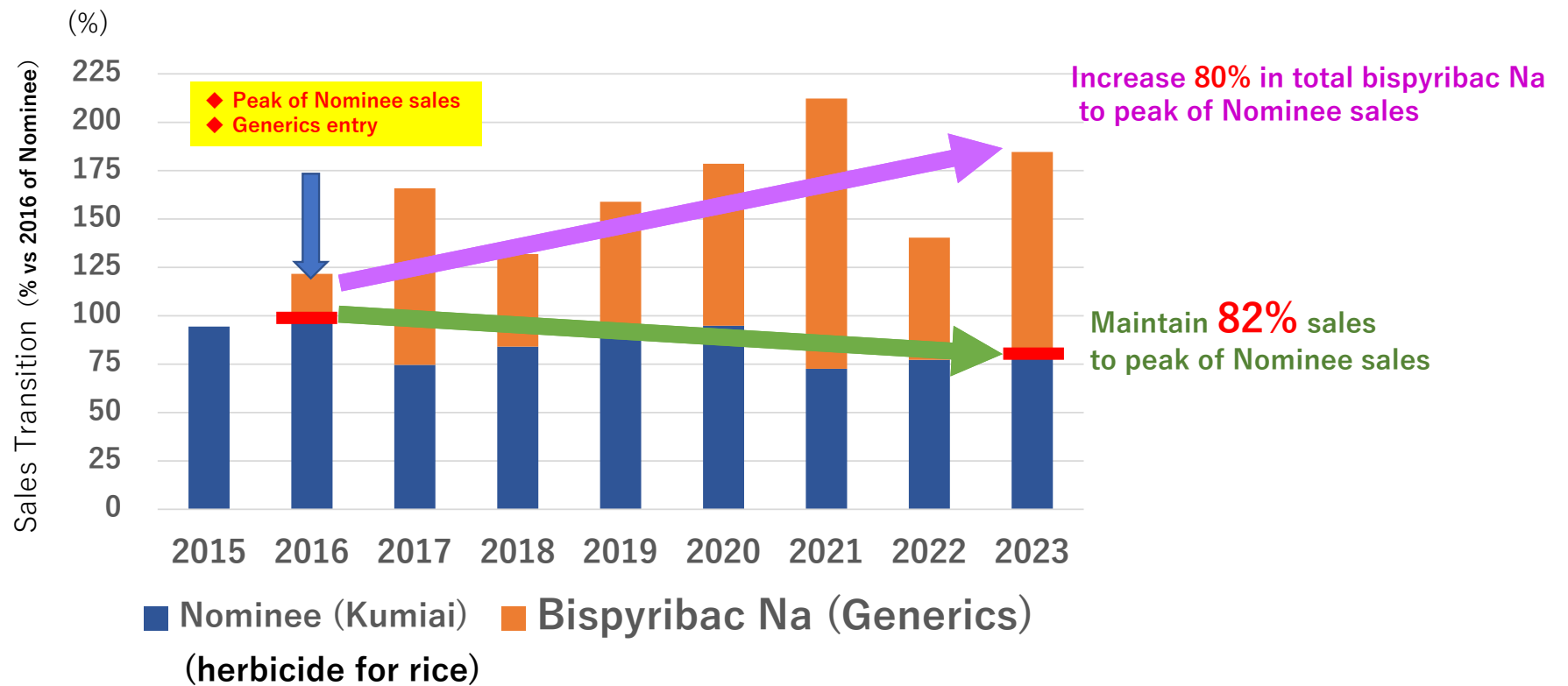


- ◆ AXEEV sales continues to grow in major grain producing markets
- ◆ Limited entry of generics (25% of total sales of AXEEV)
- ◆ Take necessary actions against illegal and/or infringed pyroxasulfone

AXEEV Sales Results & Forecast



Sales Transition of In-house Product after entry of generics (Case of Nominee in India)



Thank you for your attention.



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